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**COWLITZ AND WAHKIAKUM COUNTY PROFILE  
OCTOBER 1998**

Labor Market and Economic Analysis Branch  
Employment Security Department

This report has been prepared in accordance with  
*RCW 50.38.050*.

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- ◆ *homepage at **[www.wa.gov/esd/lmea](http://www.wa.gov/esd/lmea)***
- ◆ *On-line database (WILMA) at **[www.wilma.org](http://www.wilma.org)***
- ◆ *Labor Market Information Center (LMIC) at  
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# INTRODUCTION

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This report profiles the labor and economic characteristics of Cowlitz and Wahkiakum counties. It was prepared by the Labor Market and Economic Analysis (LMEA) Branch of the Washington State Employment Security Department and is one in a series that profiles labor market and economic conditions in each of Washington's 39 counties.

The profile is designed to assist state and local planners in developing local economic strategies. It is also an effective tool for answering labor market and economic questions frequently asked about the county. Readers with specific information needs should refer to the *Table of Contents* or to the *data appendix* to more quickly access those sections of particular interest to them.

Like the earlier Cowlitz and Wahkiakum County Profile of January 1995, the purpose of this report is to provide a comprehensive labor market and economic

analysis of Cowlitz and Wahkiakum counties. Characteristics profiled include the following:

- physical geography, economic history, and demographics
- labor force composition and trends
- industries, employment, and earnings
- skills and occupations
- economic development and job training

Much of the information in this report is regularly updated on the LMEA Internet homepage. The homepage contains current and historical labor market information which can be accessed by area or by type of information. The site address is:

**<http://www.wa.gov/esd/lmea>**

Any inquiries or comments about information in the profile should be directed to the Labor Market and Economic Analysis Branch.

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# GEOGRAPHY

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The geographically contiguous counties of Cowlitz and Wahkiakum are situated in southwest Washington. To the north are Lewis and Pacific counties and to the east, Skamania County. Southeast of Cowlitz County, the Lewis River forms a boundary with Clark County. On the south and southwest border of Wahkiakum and Cowlitz counties, respectively, is the Columbia River with Oregon on the other side.

Cowlitz and Wahkiakum counties constitute geographic areas of 1,139 square miles and 261 square miles, respectively. As such, they rank 28th and 37th in size among Washington counties. Its geographical ranking makes Wahkiakum the third smallest county in the state. Taken together, the counties represent just over 2 percent of the state's total land mass.

The topography of the two counties is very similar. Both are part of the Puget Sound-Willamette Depression. The depression is a geologic formation extending south from Puget Sound to the Willamette Valley in Oregon. It

was created eons ago by the same forces (i.e., shifting plates) which created the Cascade Range.

Despite nestling up against the Cascade Range, the region is not exceptionally elevated. Those parts of Cowlitz County that abut the Cascades rise to around 4,000 feet above sea level; the highest is Elk Mountain (4,538 feet). Mount St. Helens (8,365 feet) is just to the east of the Cowlitz-Skamania County border. Most of Cowlitz and Wahkiakum counties, though, is rather hilly, reaching elevations of around 1,000 feet above sea level.

As might be expected, a number of tributaries flow through the counties from sources originating in the Cascades. In Cowlitz County, the major rivers include the Cowlitz, Toutle, Coweeman, Kalama, and Lewis. Chief among these is the Lewis River; it has been dammed at two points within Cowlitz County (at Yale Dam and Ariel Dam), resulting in Yale Lake and Merwin Lake. In Wahkiakum County, the major tributaries are the Grays and Elochoman rivers, both of which flow directly into the Columbia.

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# ECONOMIC HISTORY

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Cowlitz County derives its name from the anglicized version of the Indian term Cow-e-liske (the name of the local tribe), which is believed to mean either river of shifting sand or capturing the medicine spirit. Neighboring Wahkiakum County derived its name from the chief (and namesake) of a local Cathlamet Indian tribe. The Indian translation of the term is unknown. The two counties were among the first organized in April of 1854 by the newly-formed Washington Territorial Government. The enacting legislation was signed into law by Governor Isaac I. Stevens.

Of course, the region's history far pre-dates its organization. The area now known as Cowlitz County was inhabited by numerous Native American Indian tribes—chief among them the Cowlitz—all of whom were drawn to the region by plentiful salmon from the Columbia River. Also dependent on salmon from the Columbia were the Wahkiakum and Cathlamet, the largest Indian tribes in Wahkiakum. There is substantial evidence that these tribes traded extensively with those in Western and Eastern Washington. Consequently, they are considered the first regional inhabitants to engage in commerce. Unfortunately, the Indian population was decimated by the smallpox epidemic of 1829-30. And in 1855, the surviving Indians were removed to the Yakima Indian reservation in central Washington.

White exploration into the region is recognized as having begun in 1792, the year Lieutenant W.R. Broughton, in command of the British ship *Chatham*, sailed past the mouth of the Columbia and approximately 100 miles upriver to present-day Vancouver. Along the way, he discovered Puget's Island, which lies mid-river from what is now the town of Cathlamet in Wahkiakum County, and Mount Coffin, an historic Indian burial site in present-day Longview. (Note: the English brig *Jenny* may actually have been first since Lieutenant Broughton discovered it at anchor beyond the sand bar at the mouth of the river.)

The next explorers to venture through the Cowlitz-Wahkiakum region came the hard way. Under orders from President Thomas Jefferson to chart a navigable commercial waterway from the Mississippi River to the Pacific Ocean, Meriwether Lewis and William Clark embarked on their famous expedition in 1805. They did not find the so-called Northwest Passage, but they did

reach the Columbia River, which they eventually navigated to the Pacific. On November 5, 1805, they made camp where the Kalama River flows into the Columbia. They reached the present sites of Longview and Cathlamet over the following several days.

By the 1820s, the British Hudson's Bay Company had established a lucrative fur trade in the region. The importance of Cowlitz to this enterprise was underscored after the company located its regional headquarter in Vancouver, Washington. Thousands of furs were sent down Cowlitz rivers to the Columbia, where they were loaded onto ships bound for ports around the world. By the late 1830s, though, over-hunting and changing fashion tastes brought an end to the fur trade. Still, many former trappers and fur company employees chose to remain in the area. They subsequently became the region's first white settlers. In fact, the first permanent white settler in Wahkiakum County was James Birnie, an employee of the Hudson's Bay Company, who in 1846 located his family in what is now Cathlamet.

During the 1850s and 1860s, white settlement of the region was well underway. Drawn by the promise of land ownership, most settlers homesteaded tracts of land along the Columbia River. Some ventured further inland, following any of a number of tributaries that fed the Columbia. In Cowlitz County, settlers were concentrated around the river valleys of Kelso-Longview. Settlements in Wahkiakum County sprang up first around Cathlamet and in the valleys surrounding the Elochoman River. Later, they began appearing further west around the Grays-Deep River valley.

Numerous towns were organized during this period, the first of which was Monticello (near present-day Longview). It was there on November 25, 1852 that a group of prominent settlers from the Cowlitz and Puget Sound regions met to draft a petition to their Oregon Territory delegate in the District of Columbia calling for a separate territory north of the Columbia River. Three months later, the U.S. Congress formed Washington Territory.

Roughly 85 percent of Cowlitz and Wahkiakum counties is forest land. Therefore, it is not surprising that the logging and lumber industries have been the foundation of the local economy since the pioneer days. In fact,

nearly every town that sprang up in the late 1800s did so around a logging or lumber-milling operation.

The first commercial logging and lumber processing in the Cowlitz-Wahkiakum region was developed in the late 1840s to provide wood for homes and other buildings. Numerous other logging and lumber operations were established in quick succession. Logs were originally hauled from the forest on greased skids by teams of oxen and then floated downriver to sawmills for processing. By the 1890s, however, teams of oxen and greased skids were replaced by locomotive “steam-donkeys.” Lumber output expanded as demand soared in the wake of a West Coast building boom. It is estimated that at the turn of the century, in excess of 1,000 workers were employed in Cowlitz County’s logging and lumber firms. At that time, the largest operators were the Hammond Lumber Company, Inman Paulsen Company, Western Company, and Wisconsin Timber Company. The two largest logging concerns in Wahkiakum County were Olsen Brothers Logging Company and Deep River Logging Company.

Cowlitz County’s wood processing industry rose to a position of even greater prominence during the latter half of the 1920s when the Long-Bell Lumber Company and Weyerhaeuser Company established processing facilities—recognized at the time as the world’s largest and second largest, respectively—at Longview. The Weyerhaeuser plant employed 2,450 workers compared to 1,600 at the Long-Bell plant.

Many of the region’s logging and lumber operations ceased during the Great Depression. However, those that survived were able to prosper during World War II as military demand for wood and pulp products soared. This prosperity continued during the postwar years as a housing construction boom got underway. Weyerhaeuser, for example, employed another 1,000 workers at its new plywood and pulp and paper plants in Longview. In the postwar period, employment in Cowlitz County’s forest-related industries reached 1,600 in logging, 4,400 in lumber, and 2,500 in pulp and paper.

During the 1970s and into the 1980s, the combined lumber, wood, and paper and pulp industries accounted for more than 7,500 jobs in Cowlitz County. After weathering national economic recessions and efficiency measures during the front half of the 1980s, employment in these industries fell. That notwithstanding, forest-related industries currently account for roughly 6,500 jobs and lead all others as the county’s major source of employment.

Other industries have also played significant historical roles in the economic development of Cowlitz and Wahkiakum counties with fishing, food processing, agriculture, dairying, and aluminum reduction in the forefront.

The region’s location on the Columbia River provided strong incentive to establish a salmon fishing industry. Like the local Indians before them, the early settlers depended on salmon to sustain their diet. Though most eventually turned to logging pursuits, a good number of Cowlitz and Wahkiakum counties’ settlers remained fishermen. Salmon were plentiful during spawning season and tons were caught using traps, fishwheels, seines, gillnets, and trollers. Smelt fishing also became a lucrative seasonal industry during the height of the annual run.

Growth in the booming fishing industry spurred growth in salmon canning operations. These firms catered to both the heavy East Coast and Western European demand for packed salmon. The first was established in 1866 near Longview. In addition to being the first in the Northwest, it was the world’s second largest. The first cannery in Wahkiakum County followed several years later. By the 1880s, there were 35 fish processing and canning operations along Cowlitz County’s banks, as well as a number in Wahkiakum County.

Covering substantial portions of the region, river valleys and bottomlands in Cowlitz and Wahkiakum counties are abundant in rich and fertile volcanic soil. This, combined with ample rainfall (even during the summer) and mild temperatures, was yet another inducement to early settlers seeking to cultivate the land. The climate, though, proved less than conducive to certain crops, resulting in only modest vegetable and berry harvests. It was soon discovered that the climate was perfect for dairying crops (i.e., used to feed dairy animals).

Consequently, many of the region’s early farmers turned toward livestock feed crops such as hay, grain, corn and pasture grass. These operations prospered as dairy-product demand from logging camps soared during the 1860s. The dairy industry continues to operate today, especially in Cowlitz County. The southern region around the town of Woodland has developed a substantial livestock and dairy industry that supplies much of Vancouver and Portland. Meanwhile, operations in Longview, Kelso, and Castle Rock supply milk to plants which produce cheese and cream for local and state-wide distribution.



# POPULATION

The Office of Financial Management has estimated the 1998 population of Cowlitz and Wahkiakum counties to be 93,100 and 3,900, respectively. Cowlitz and Wahkiakum are the 13th and 38th largest counties in

Washington State. The last actual head-count was the 1990 Census when the population was 82,119 in Cowlitz and 3,327 in Wahkiakum.

## Trends

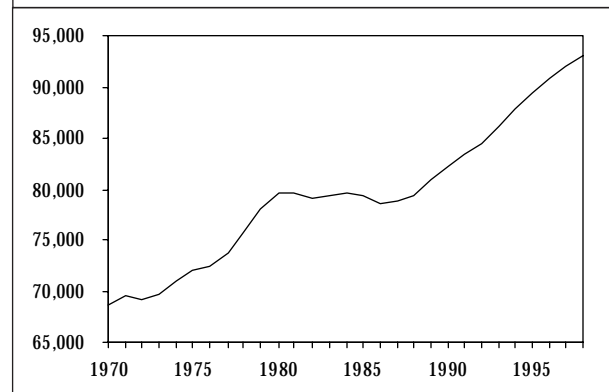
The population of a region changes as people are born and die, and move into and out of the region. Population changes are viewed as important economic indicators because people tend to follow jobs. The recessions of

the early 1980s and the restructuring of the timber industry caused the population to decline and stagnate for about eight years in Cowlitz County and brought about a drastic 14 percent drop in Wahkiakum County (between 1980 and 1991). Looking at *Figures 1 and 2*, population growth for both counties has been positive since then, though not matching the statewide pace.

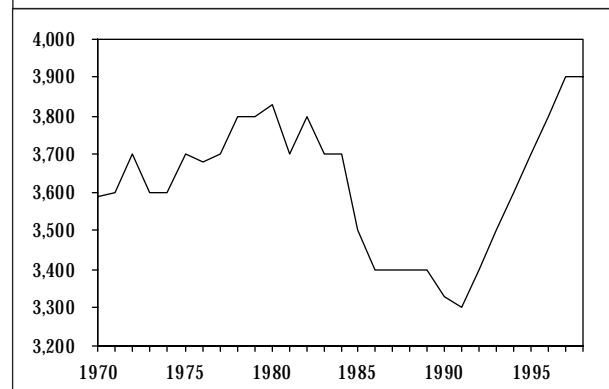
Overall for the period 1970-98, the population in Cowlitz County grew 36 percent (from 68,616 to 93,100). Wahkiakum County's increase was only 9 percent (3,592 to 3,900). During the same time, the state's population swelled by 67 percent. Annualized growth rates were 1.1 percent in Cowlitz, 0.3 percent in Wahkiakum, and 1.8 percent statewide. *Figure 3* shows the population indexed to 1970=100 and compares the growth rates of the two counties and Washington State since 1970.

Migration has been the key factor in population changes in the counties. After long and severe declines, migration has been positive in both counties for a number of years. *Figures 4 and 5* show net migration since

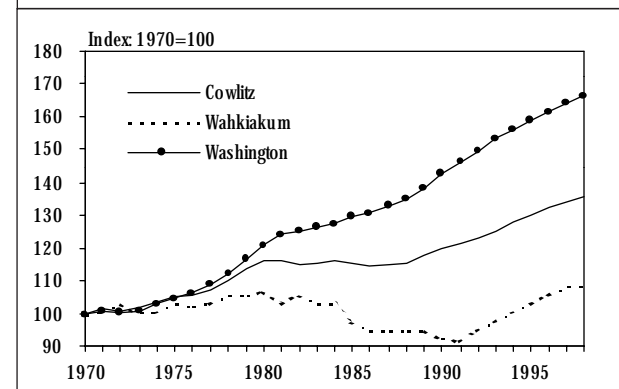
**Figure 1**  
**Population Trend**  
**Cowlitz County, 1970-1998**  
*Source: Office of Financial Management*



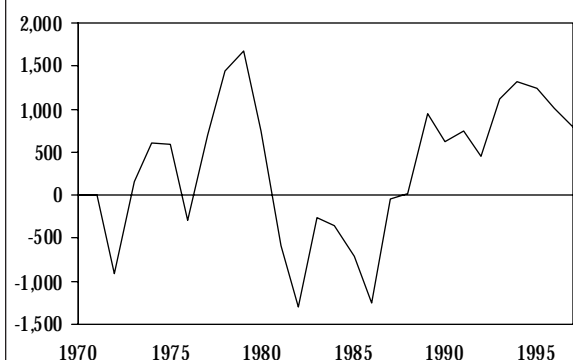
**Figure 2**  
**Population Trend**  
**Wahkiakum County, 1970-1998**  
*Source: Office of Financial Management*



**Figure 3**  
**Population Trend**  
**Cowlitz, Wahkiakum, & State, 1970-1998**  
*Source: Office of Financial Management*

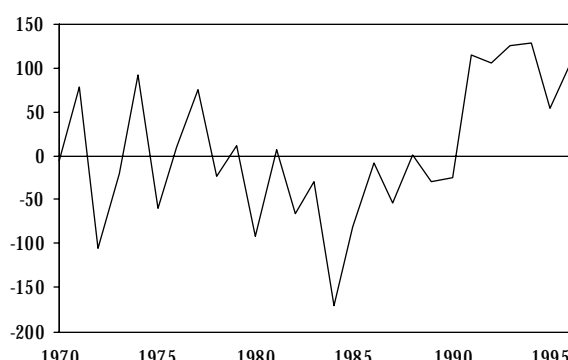


**Figure 4**  
**Net Migration**  
**Cowlitz County, 1970-1996**  
**Source: Office of Financial Management**



1970. As jobs in the timber industry declined beginning about 1980, people left the area. More recently, as the economies improved, population has picked up.

**Figure 5**  
**Net Migration**  
**Wahkiakum County, 1970-1996**  
**Source: Office of Financial Management**



## Populated Areas

In 1997, more than half of Cowlitz County's 92,000 residents lived in incorporated areas while 43 percent lived in unincorporated areas (*see Figure 6*). However, population growth in the unincorporated areas has been greater from 1990-97. Woodland was the fastest growing city since 1990; Kelso was the slowest growing; and Longview, the largest city, grew by 7 percent.

Wahkiakum County has only one incorporated city, Cathlamet, which grew 7 percent from 1990 to 1997. The unincorporated areas grew by 19 percent. Eighty-six percent of Wahkiakum County's residents lived in unincorporated areas in 1997 while the remaining 14 percent resided in its sole incorporated area.

**Figure 6**  
**Population of Cities, Towns, and Counties**  
**April 1, 1990 to April 1, 1997**  
**Source: Office of Financial Management**

|                      | 1990   | 1991   | 1992   | 1993   | 1994   | 1995   | 1996   | 1997   |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Cowlitz</b>       | 82,119 | 83,500 | 84,500 | 86,100 | 87,800 | 89,400 | 90,800 | 92,000 |
| Unincorporated       | 33,170 | 34,241 | 34,847 | 35,670 | 36,765 | 37,755 | 38,503 | 39,413 |
| Incorporated         | 48,949 | 49,259 | 49,653 | 50,430 | 51,035 | 51,645 | 52,297 | 52,587 |
| Castle Rock          | 2,067  | 2,080  | 2,055  | 2,075  | 2,090  | 2,105  | 2,115  | 2,115  |
| Kalama               | 1,210  | 1,210  | 1,225  | 1,245  | 1,285  | 1,320  | 1,472  | 1,502  |
| Kelso                | 11,767 | 11,747 | 11,837 | 11,850 | 11,850 | 11,870 | 11,910 | 11,950 |
| Longview             | 31,499 | 31,730 | 32,030 | 32,650 | 33,080 | 33,480 | 33,650 | 33,620 |
| Woodland <i>part</i> | 2,406  | 2,492  | 2,506  | 2,610  | 2,730  | 2,870  | 3,150  | 3,400  |
| <b>Wahkiakum</b>     | 3,327  | 3,300  | 3,400  | 3,500  | 3,600  | 3,700  | 3,800  | 3,900  |
| Unincorporated       | 2,819  | 2,790  | 2,895  | 2,992  | 3,085  | 3,180  | 3,255  | 3,355  |
| Incorporated         | 508    | 510    | 505    | 508    | 515    | 520    | 545    | 545    |
| Cathlamet            | 508    | 510    | 505    | 508    | 515    | 520    | 545    | 545    |



# Population by Age Groups

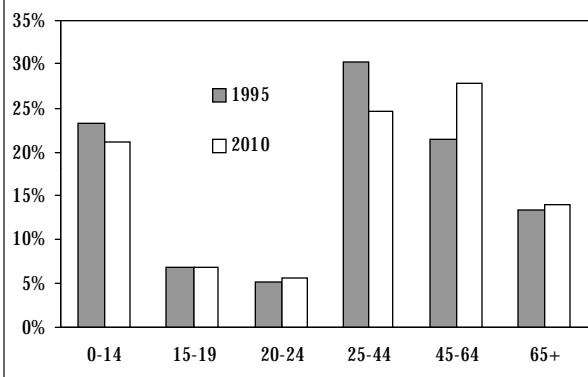
The population distribution among various age groups as well as the changes in this distribution over time show aspects of the population not revealed by the overall numbers. *Figures 7 and 8* categorize the population of Cowlitz and Wahkiakum counties by age group share size. Shown are estimates for 1995 and projections for 2010. These age groups are significant if we make the following assumptions:

- 0-14 = Infants or adolescents a decade or two removed from the labor force
- 15-19 = Prospective new entrants into the labor force, except college students
- 20-24 = New entrants into the labor force, except college students
- 25-44 = Workers in their prime years of work

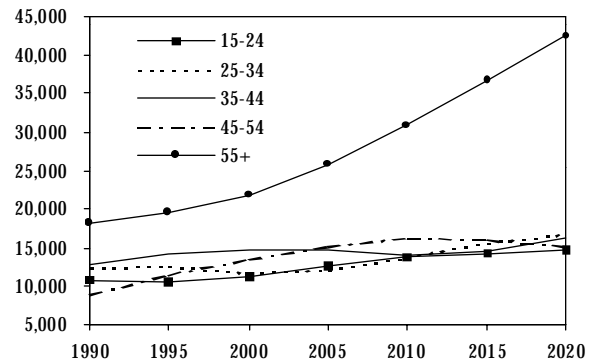
- 45-64 = Mature workers with years of accumulated skills and experience
- 65+ = Retirees

Most notable is the decrease in the share size of the 25-44 age group in Cowlitz County (in the context of overall population, the decline is significant) and the large increase in the 45-64 age group in both counties. The population is aging and this will have significant consequences in the future. Median age, that point where half the population is older and half is younger, was 36 in Cowlitz County in 1996, up from 30 in 1980. Wahkiakum County went from 32 to 39 in that period. Washington went from 30 to 35, about the same as Cowlitz County.

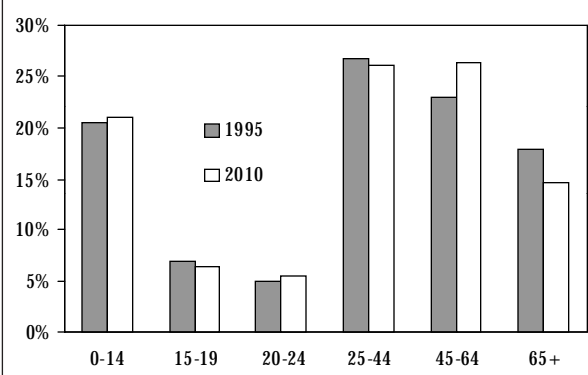
**Figure 7**  
Percent of Population by Age Group  
Cowlitz County, 1995 and 2010  
*Source: Office of Financial Management*



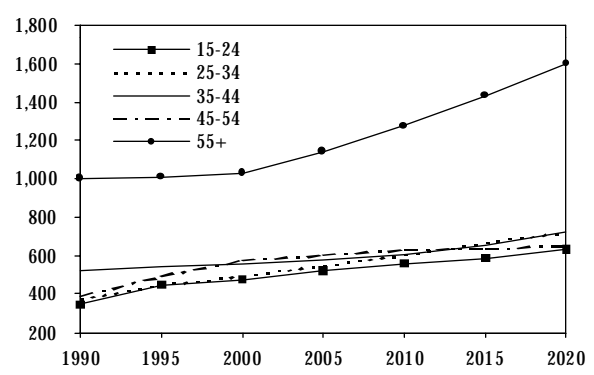
**Figure 9**  
Population by Age Group  
Cowlitz County, 1990-2020  
*Source: Office of Financial Management*



**Figure 8**  
Percent of Population by Age Group  
Wahkiakum County, 1995 and 2010  
*Source: Office of Financial Management*



**Figure 10**  
Population by Age Group  
Wahkiakum County, 1990-2020  
*Source: Office of Financial Management*



Figures 9 and 10 on the previous page show the population subsumed into somewhat different groups and project their numbers (as opposed to share size) out to 2020. The 55 and older group is a fast-growing group with large numbers. If the trend materializes as projected, there will be change of a high magnitude.

The baby boomers—that very numerous cohort born between 1946 and 1964—are moving toward retirement age. This will have significant effects upon, just to name two areas, Social Security and the provision of health care. The trend is also occurring at the state and national levels.

## Demographics

According to the latest estimates, Cowlitz and Wahkiakum counties are less racially diverse than the state as a whole. In 1996, Cowlitz County was 95 percent white and Wahkiakum County was 97 percent white. Statewide, whites constituted 88 percent of the population. Native Americans are the second largest racial group in both counties and comprise 2.2 percent of both populations. Statewide, Native Americans make up a similar 2.0 percent of the total. Both counties have less than half the state average for those of Hispanic origin, and far fewer Asian/Pacific Islanders and blacks.

Whites may be the largest racial group in Cowlitz and Wahkiakum counties, but the proportion of non-whites is increasing at a much faster pace. Comparing the 1990 Census and the 1996 estimates (*see Figure 11*), non-whites grew 50 percent in Cowlitz County while whites grew only 9 percent. And in Wahkiakum County, the non-white population increased 42 percent while whites increased by 14 percent. Even with that growth, non-whites still retain only a relatively small percentage of both counties' population.

**Figure 11**  
**Population by Race and Hispanic Origin**  
**Cowlitz, Wahkiakum, and Washington, 1990 and 1996**  
**Source: Office of Financial Management**

|   | 1990 Census | 1996 Estimates | 1990-1996 % Change |
|---|-------------|----------------|--------------------|
| <b>Cowlitz County</b>                               |             |                |                    |
| Total   | 82,119      | 90,800         | 10.6%              |
| White   | 79,276      | 86,539         | 9.2%               |
| Non-white   | 2,843       | 4,261          | 49.9%              |
| Black   | 289         | 441            | 52.6%              |
| Indian/Aleut  | 1,400       | 2,021          | 44.4%              |
| Asian/Pac Islander                                  | 1,154       | 1,800          | 56.0%              |
| Hispanic Origin*                                    | 1,672       | 2,625          | 57.0%              |
| <b>Wahkiakum County</b>                             |             |                |                    |
| Total   | 3,327       | 3,800          | 14.2%              |
| White   | 3,246       | 3,685          | 13.5%              |
| Non-white   | 81          | 115            | 42.0%              |
| Black   | 3           | 4              | 33.3%              |
| Indian/Aleut  | 61          | 82             | 34.4%              |
| Asian/Pac Islander                                  | 17          | 29             | 70.6%              |
| Hispanic Origin*                                    | 71          | 85             | 19.7%              |
| <b>Washington State</b>                             |             |                |                    |
| Total   | 4,866,692   | 5,516,800      | 13.4%              |
| White   | 4,411,407   | 4,872,813      | 10.5%              |
| Non-white   | 455,285     | 643,987        | 41.4%              |
| Black   | 152,572     | 191,296        | 25.4%              |
| Indian/Aleut  | 87,259      | 109,766        | 25.8%              |
| Asian/Pac Islander                                  | 215,454     | 342,925        | 59.2%              |
| Hispanic Origin*                                    | 214,570     | 337,706        | 57.4%              |
| <i>*Those of Hispanic origin can be of any race</i> |             |                |                    |

# CIVILIAN LABOR FORCE

The resident civilian labor force is defined as all persons 16 years of age and older within a specified geographic area who are either working or actively seeking work. This excludes those serving in the armed forces.

At the county level there is no direct measure of labor force other than the decennial census. The current state labor force is estimated from a household survey. County labor forces are determined as a share of the state total using indirect measures such as estimated population, employment, and unemployment claims. While county labor force estimates are an important economic indicator, they are often less reliable than other measures because of the indirect method of estimation.

After every Census, labor force estimates at the county level are adjusted back to the Census year using new information on population and commuting. Thus there is a discontinuity in the series every ten years. For example, labor force data for 1989 and 1990 are not strictly comparable, due to different assumptions about population and commuting patterns. In practice, there may not be much difference, but in a few cases, as we'll see below, there have been extraordinary changes in commuting patterns, or population estimates may have been off.

In 1997, the labor force was estimated at 41,280 in Cowlitz County and 1,800 in Wahkiakum County.

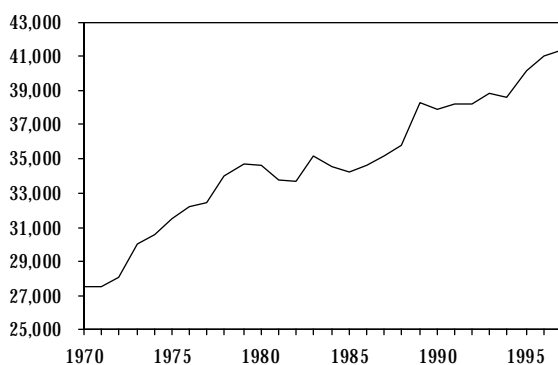
## Trends

Figure 12 displays the size of Cowlitz County's labor force from 1970 to 1997. In all, the labor force grew by 50 percent during this period (statewide growth was over twice that). Most of the growth occurred in the 1970s, the second half of the 1980s, and since 1994. Labor force growth was strong through the 1970s as the nationwide housing boom boosted the local economy, which is very sensitive to variations in the housing market. By 1979, the county's labor force stood at 34,730; the result of 26 percent net growth since 1970.

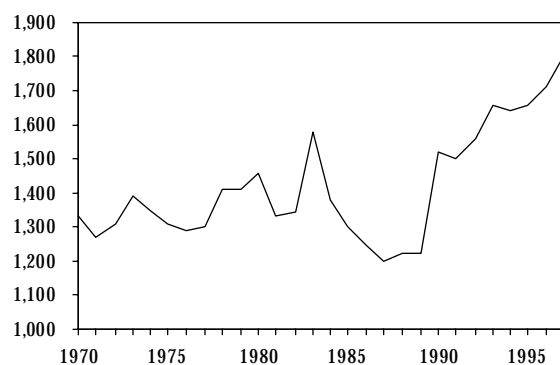
In the 1980s, the labor force followed a pattern similar to population: stagnation in the 1980-88 period, followed by rapid growth at the end of the decade. The first part of the 1990s was essentially flat but was followed by good increases from 1995-97. The labor force averaged 41,533 the first half of 1998.

The much smaller Wahkiakum County experienced a net gain of only 35 percent in its labor force between 1970 and 1997. Like Cowlitz, Wahkiakum County showed distinct shifts in response to changing economic cycles (see Figure 13). Growth was modest during the 1970s,

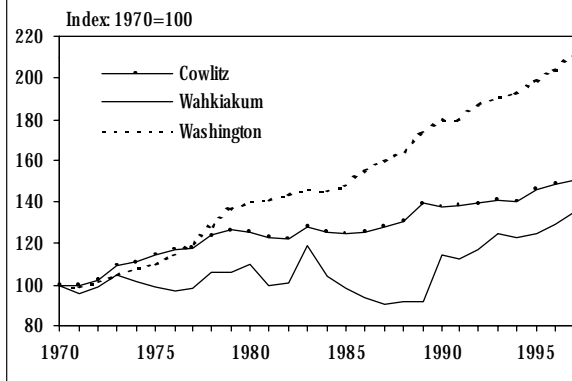
**Figure 12**  
**Civilian Labor Force**  
**Cowlitz County, 1970-1997**  
*Source: Employment Security Department*



**Figure 13**  
**Civilian Labor Force**  
**Wahkiakum County, 1970-1997**  
*Source: Employment Security Department*



**Figure 14**  
**Civilian Labor Force**  
**Cowlitz, Wahkiakum, Washington, 1970-1997**  
**Source: Employment Security Department**



punctuated by the recessions of 1970 and 1975. The labor force declined sharply during much of the 1980s with the reduction of timber jobs and the loss of population. However, the sharp discontinuity between 1989 and 1990 gives cause for suspicion and may have been influenced by the factors discussed at the beginning of this section. It is likely that the decline between 1983 and 1987 was less than the numbers show. Since 1991, the end of a national recession, there has been significant expansion, due to population growth, the stabilization of timber jobs, and the relative health of the Cowlitz economy.

## Commuting

According to the 1990 Census, 89 percent of Cowlitz residents who had a job worked in the county. The rest commuted to jobs in other counties, mostly in neighboring Columbia County (Oregon), Clark and Lewis counties (Washington), and Portland (Oregon). More than 86 percent of those who worked in the county also made their home there; most of the rest lived in the same four areas just listed.

In Wahkiakum, however, less than two-thirds of the working residents worked within the county, while the rest commuted to jobs outside of the county, mostly in Pacific and Cowlitz counties or in Oregon. About 90 percent of those who worked in the county lived there, however, with the remainder coming largely from Cowlitz and Clatsop (Oregon) counties.

## Demographics

The labor force in both counties has very few non-whites (and the tabulations in *Figure 15* on the next page, even count all Hispanics as a separate entity considered non-white). American Indians are the largest minority in the counties, accounting for between 2 and 3 percent of the work force. Blacks are the smallest minority and Hispanics and Asian/Pacific Islanders fall in between.

In terms of the sexes, males occupy a larger share of the labor force than females in both counties. Cowlitz County's labor force is about 41 percent women. In Wahkiakum County, women constitute a greater 46 percent, roughly equivalent to the state-wide share of 45 percent.

**Figure 15**  
**Resident Labor Force by Sex and Minority Status**  
**Cowlitz and Wahkiakum Counties, 1996 Annual Averages**  
**Source: Employment Security Department**

|                          | <b>Cowlitz County</b> |            | <b>Wahkiakum County</b> |            |
|--------------------------|-----------------------|------------|-------------------------|------------|
|                          | Labor Force           | Percentage | Labor Force             | Percentage |
| Total                    | 41,040                | 100.0%     | 1,690                   | 100.0%     |
| White                    | 38,160                | 93.0%      | 1,580                   | 93.5%      |
| Black                    | 120                   | 0.3%       | 10                      | 0.6%       |
| Native American          | 1,060                 | 2.6%       | 40                      | 2.4%       |
| Asian & Pacific Islander | 780                   | 1.9%       | 30                      | 1.8%       |
| Hispanic                 | 930                   | 2.3%       | 30                      | 1.8%       |
| Female Percent of Total  |                       | 41.2%      |                         | 46.2%      |

*All races exclude those of Hispanic origin, as Hispanic is indicated as a separate group.*

*Race estimates are based on 1990 Census and 1996 population data from the Office of Financial Management.*

*Detail may not add to indicated totals because of rounding.*

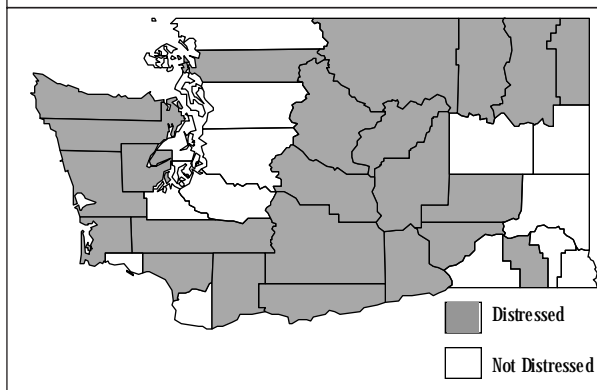
# UNEMPLOYMENT

The civilian labor force consists of those who are working and those without a job who are looking for work. The unemployment rate is the percentage of the total labor force who are not working but who are actively looking for work. The unemployed do not include retirees, persons in institutions, or those who have come to be known as “discouraged workers,” i.e., persons who would like to work but who are not actively searching for a job. None of these groups of people are included in the unemployment figures because they are not looking for work. Unemployment has nothing to do with whether a person is filing a claim for unemployment benefits; nationally, the number of claimants is only about one-third of the total number of unemployed.

At the national level, the unemployment rate is determined by a monthly survey of households. At the local level, the state’s portion of this household survey is integrated with other information (e.g., unemployment insurance claims and surveys of business establishments) to produce unemployment rates at the state and county level.

Figure 16 shows the counties in Washington that are considered to be *distressed*, that is, they have unemployment rates 20 percent higher than the statewide average for three consecutive years. Cowlitz County, whose unemployment rate averaged 7.8 percent for the last three years, is included among the distressed counties,

**Figure 16**  
**Distressed Counties**  
**Washington State, 1997**  
**Source: Employment Security Department**



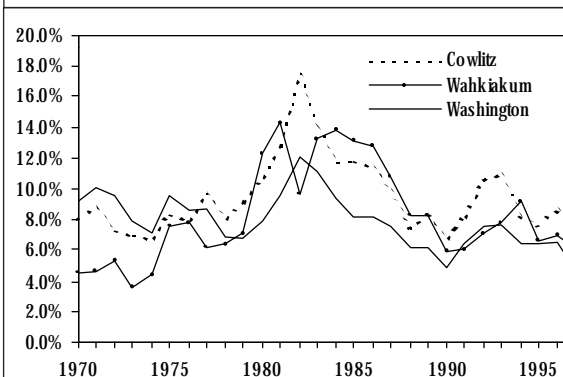
making it eligible for some preference in bidding for government contracts. Wahkiakum County’s three-year average unemployment rate was 6.4 percent, well below the threshold required for the distressed designation.

In 1997, Cowlitz County had 7.1 percent of its labor force idle. The percentage equates to 2,920 people looking for work. The rate is down significantly from 1996’s 8.6 percent. In Wahkiakum County, the 1997 rate was 6.1 percent, or 110 job seekers, down almost a full point from the previous year’s rate of 7.0 percent.

## Trend

In the early 1970s, the unemployment rate in both counties, particularly Wahkiakum, stayed well below the state’s level of unemployment (see Figure 17). The economic strength of the two counties was driven by the thriving timber industry which accounted for almost half the jobs in the area. In 1979, unemployment rose dramatically and was coincident with declines in timber related employment. The “double-dip” recessions of the early 1980s hit the timber industry particularly hard and strongly exacerbated unemployment. Indeed, Cowlitz County’s unemployment rate reached 17.5 percent in 1982: a depression-era figure. The recessions also had an unusually severe effect upon the state: Washington’s unemployment rate rose to 12.1 percent in 1982.

**Figure 17**  
**Unemployment Rates**  
**Cowlitz, Wahkiakum, Washington, 1970-1997**  
**Source: Employment Security Department**





As unemployment decreased during the recovery period after the recessions, a substantial gap remained between the two counties and the state. Restructuring and modernization in the timber industry cost a large number of jobs, though making the industry more efficient, and the jobless rate stayed two or more points higher than the statewide average. In the late 1980s, the counties' economies, still underpinned by timber, suffered more setbacks as environmental legislation aimed at protecting habitat and species further reduced employment.

As the chart shows, unemployment in Cowlitz and Wahkiakum counties generally follows the trend of the state (which in turn follows the trend of the nation). The peaks and troughs usually coincide. Since the latter part

of the 1970s, the county rates have been higher than the state rates, although still staying within the pattern set by the state.

Unemployment subsided rapidly in both counties after the highs of the early 1980s. The economic recovery following that period was strong and it was reflected by lesser unemployment rates. The decline continued until 1990 when the rates hit lows not seen since 1978 in Wahkiakum and 1974 in Cowlitz. The 1990-91 national recession sent unemployment up again but after about two years, a strong recovery ensued and 1997 found the rates for both counties and the state at about the same level as 1990.

## Unemployment Insurance Claims

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When deriving unemployment figures at the county level, one of the key factors in the computation is the number of people who file claims for unemployment insurance benefits. *Figure 18* lists, by occupation rather than industry, the number of people who filed claims between July 1, 1996 and June 30, 1997, in Cowlitz and Wahkiakum counties and Washington State.

The percentage of claims coming from the various occupational groupings in the counties does not resemble the statewide profile at all. Broadly, the counties' percentage coming from occupations considered to be "blue-collar" is significantly larger than that of the state as a whole.

More specifically, in both Cowlitz and Wahkiakum counties, a large number of claimants came from the

packing and material handling category. Those engaged in structural work, primarily construction, accounted for another large component: construction is, everywhere, subject to project centered employment and when the project is finished, so is the job. Fairly substantial numbers of claimants were also found in the agricultural sector.

The essentially rural, resource-based economies of Cowlitz and Wahkiakum counties differ from the statewide economy, which is driven by Puget Sound's high tech and aerospace industries. When the claimants are grouped, rather loosely, into white-collar and blue-collar categories, over two-thirds of all claimants in both counties are blue-collar workers compared to 54 percent statewide.

**Figure 18****Unemployment Insurance Claimants****Cowlitz, Wahkiakum, and Washington State, July 1, 1996 - June 30, 1997****Source: Employment Security Department**

|  | <b>Cowlitz County</b> |                   | <b>Wahkiakum County</b> |                   | <b>Washington State</b> |                   |
|--|-----------------------|-------------------|-------------------------|-------------------|-------------------------|-------------------|
|  | <b>Claimants</b>      | <b>Percentage</b> | <b>Claimants</b>        | <b>Percentage</b> | <b>Claimants</b>        | <b>Percentage</b> |
| Structural work                                | 1,678                 | 24.4%             | 39                      | 15.0%             | 58,241                  | 18.0%             |
| Packaging and material handling                | 1,108                 | 16.1%             | 48                      | 18.5%             | 28,263                  | 8.8%              |
| Agriculture, forestry, and fishing             | 726                   | 10.6%             | 25                      | 9.6%              | 35,927                  | 11.1%             |
| Service  | 643                   | 9.4%              | 19                      | 7.3%              | 54,030                  | 16.7%             |
| Clerical                                       | 624                   | 9.1%              | 20                      | 7.7%              | 16,753                  | 5.2%              |
| Machine trades                                 | 583                   | 8.5%              | 21                      | 8.1%              | 38,118                  | 11.8%             |
| Professional/technical/managerial              | 526                   | 7.7%              | 26                      | 10.0%             | 16,798                  | 5.2%              |
| Motor freight and transportation               | 361                   | 5.3%              | 43                      | 16.5%             | 25,950                  | 8.0%              |
| Miscellaneous, NEC                             | 327                   | 4.8%              | 7                       | 2.7%              | 17,598                  | 5.5%              |
| Processing                                     | 149                   | 2.2%              | 4                       | 1.5%              | 9,434                   | 2.9%              |
| Sales  | 109                   | 1.6%              | 5                       | 1.9%              | 16,134                  | 5.0%              |
| Benchwork                                      | 32                    | 0.5%              | 3                       | 1.2%              | 5,503                   | 1.7%              |
| <b>Total</b>                                   | <b>6,866</b>          | <b>100.0%</b>     | <b>260</b>              | <b>100.0%</b>     | <b>322,749</b>          | <b>100.0%</b>     |
| White-Collar*                                  | 2,279                 | 33.3%             | 72                      | 28.0%             | 145,673                 | 45.9%             |
| Blue-Collar*                                   | 4,555                 | 66.7%             | 185                     | 72.0%             | 171,573                 | 54.1%             |
| <i>*Miscellaneous/NEC occupations excluded</i> |                       |                   |                         |                   |                         |                   |

# INDUSTRIES, EMPLOYMENT, AND WAGES

Data in this section are derived through two different Bureau of Labor Statistics programs which are conducted in Washington by the Employment Security Department. The first, called CES (Current Employment Statistics), generates monthly nonagricultural employment figures; the second, the Quarterly Employment and Wages pro-

gram (ES-202), includes data on both agricultural and nonagricultural employment covered under the state unemployment insurance program. All wage data and agricultural employment data in this section stem from the Employment and Wages program; other employment information comes from the CES program.

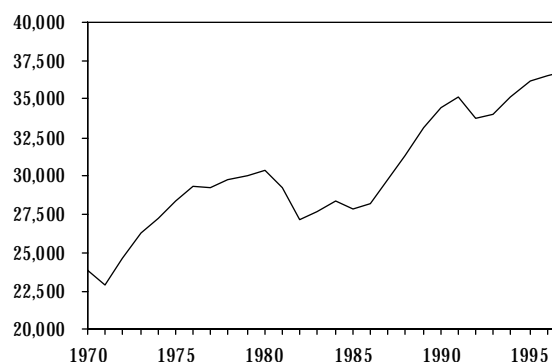
## Employment Trend

The mid-1970s through the mid-1980s were, in general, bad times for nonagricultural employment in Cowlitz County (see Figure 19). Following that, there was strong growth until the 1990-91 recession caused a temporary decline in jobs. A full recovery was complete by 1994 and growth has been steady, if moderate, since then. In all, from 1970 to 1997, the county's economy generated almost 13,000 new jobs. This 54 percent increase brought employment up from 23,830 to 36,790. By way of contrast, though, statewide employment grew 133 percent: Cowlitz County did not share in the same level of growth that the state as a whole enjoyed. Figure 20 indexes employment to 1970=100 and compares the counties to Washington.

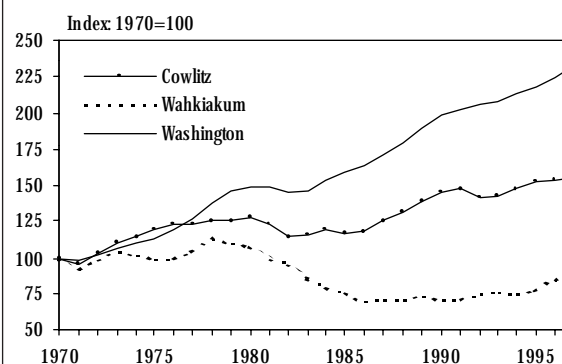
Job creation expanded rapidly after 1971, in part because of a large amount of construction activity in 1974-76; about 5,400 jobs were added from 1970 to 1977. In that year, lumber and wood products employment peaked at 6,430. While total nonfarm employment continued to increase slightly through 1980 due to construction projects, lumber and wood products jobs began disappearing, falling to 4,100 in 1982 and further to 3,200 in 1985.

The recessions of 1980-82 and the ensuing restructuring of the timber industry brought employment growth to a near standstill until 1987. At that point the county began a broad recovery, spearheaded by expansion of non-timber manufacturing, the opening of a new paper mill, and the opening of the Three Rivers Mall. The effects of the national recession in 1990-91 were muted, to a degree, by a surge in construction employment related to capital projects at the Port of Longview and the

**Figure 19**  
**Nonagricultural Wage & Salary Employment**  
**Cowlitz County, 1970-1997**  
*Source: Employment Security Department*



**Figure 20**  
**Nonagricultural Wage & Salary Employment**  
**Cowlitz, Wahkiakum, Washington, 1970-1997**  
*Source: Employment Security Department*

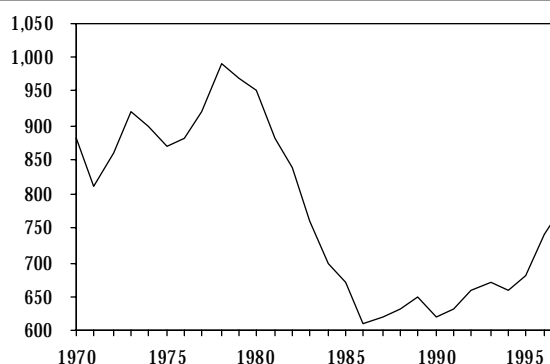


Norpac paper mill. Nevertheless, the recession did cause a downward blip in total employment. Another construction surge began in 1993 following Weyerhaeuser's decision to rebuild its pulp mill.

Nonagricultural employment in Wahkiakum County has been characterized by a steep decline since 1978. That year saw a peak of 990 workers. Eight years later, in 1986, there were a total of 610 workers. These 380 lost jobs were manufacturing jobs and, unlike in many other areas, there was no offsetting or compensating growth in the services sectors. While manufacturing was declining, the other sectors remained flat, resulting in an overall decrease of large proportions.

Following the low point, there was only modest growth until 1996 and 1997 when an upturn, occasioned by manufacturing (i.e., logging), brought total employment to 1997's 780 workers.

**Figure 21**  
**Nonagricultural Wage & Salary Employment**  
**Wahkiakum County, 1970-1997**  
**Source: Employment Security Department**



## Location Quotients

One way to determine how an area's economy is shaped is to compare it to another area. The following section shows how Cowlitz and Wahkiakum county employment patterns both differ from and coincide with Washington State's. When comparing an industry's share of all employment at the county level to the same industry's share at the statewide level, it becomes apparent that some county employment is distributed differently than statewide employment. The *location quotient* compares the share of total employment in a particular industry division in the county with the share it represents in Washington State.

The quotient is determined by dividing the statewide industry employment share into the county industry share. A quotient of 1.0 denotes an industry in which the county is typical to the state as a whole; a value above 1.0 shows an industry with a higher concentration of employment; and a value below 1.0 marks a county industry with a lesser concentration of employment than in the same industry statewide.

A quotient above 1.0 suggests that the good or service produced by an industry is exported from the area; a quotient below 1.0 is a sign that, hypothetically, goods or services must be imported into an area to provide the same consumption patterns found at the state level. The greater the value above or below 1.0, the stronger the suggestion of exporting or importing becomes.

**Figure 22**  
**Location Quotients**  
**Cowlitz and Wahkiakum, 1997**  
**Source: Employment Security Department**

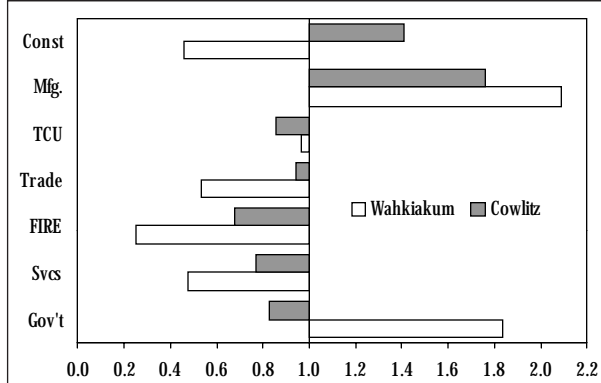


Figure 22 shows the 1997 location quotients (based on nonagricultural employment) of the major industry sectors in both counties. This portrait shows strong differences and similarities between the two counties and between them and the state.

In Cowlitz County, only two industrial sectors were above 1.0; construction and manufacturing. Manufacturing, which consists primarily of timber-related activities, is obviously a large exporting industry. Its quotient of 1.76 is significantly above the level that would indicate parity with statewide manufacturing—the bulk of logs, lumber, and other timber products are sent out of

the county. While construction is not exportable, the quotient, indicating a higher concentration of employment, shows construction activity at a higher level than that being experienced statewide.

The remainder of the major industry sectors all have quotients falling below 1.0. To obtain the services or goods offered by these industries, residents may have to travel outside the county.

Wahkiakum also surpasses the statewide level in only two sectors: manufacturing and government. The high

quotient in government is not indicative of exported government services. Rather, it reflects that some, crucial, government functions will be performed regardless of the population base. K-12 education, for example, must still be provided even if the economies of scale attained in larger populations are not realized. Manufacturing, primarily related to the timber industry, is significantly above the state level with a quotient of 2.09. All other sectors are below the 1.0 mark, some significantly so.

## Goods and Services

There has been considerable concern in recent years of the U.S. becoming a services-producing economy rather than a goods-producing economy. In Washington State, the trend is moving in that direction. In Cowlitz and Wahkiakum counties, the trend is also moving that way. These counties have always had a much higher percentage of goods-producing jobs than the state as a whole. But, the percentage and the number of jobs that are considered to be goods-producing (the manufacturing and construction/mining industries) are decreasing. And, at a faster rate than statewide.

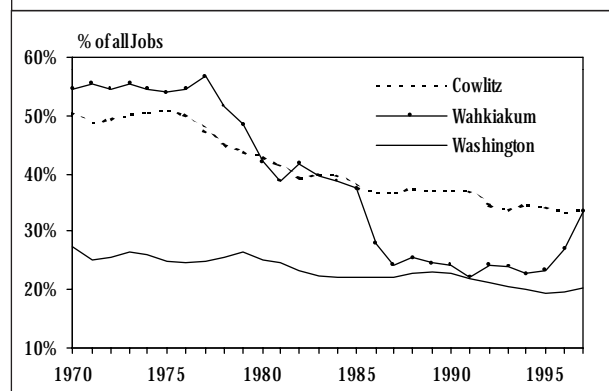
In Cowlitz County, the number of jobs in goods-producing industries fell from 51 percent of all jobs in 1970 to 38 percent 1997 (see Figure 23). Wahkiakum County's decrease was far more severe with the share size going from 55 percent to 33 percent. Statewide, the percentage fell from 27 to 20 percent: a substantial decrease but one that pales compared to the two counties. The fall in share size did not reflect an overall loss of jobs in Cowlitz County but, rather, a minuscule increase (2.7

percent since 1970). Wahkiakum County had a real and severe job loss: 54 percent of goods-producing jobs (220) were lost.

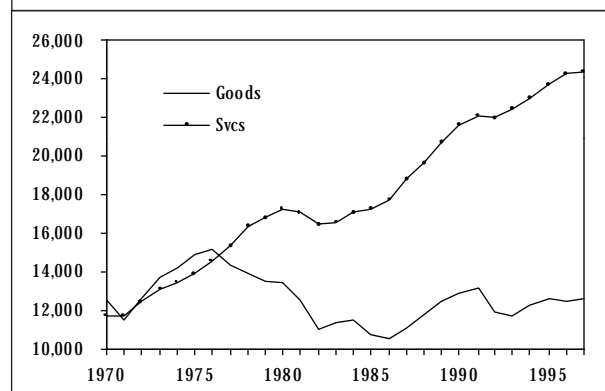
Figure 24 shows the change in the number of jobs since 1970 in both counties combined. The number of services-producing jobs doubled since then, going from about 12,000 to 24,000. The number of goods-producing jobs went from a peak 15,170 in 1976 to a low of 10,540 in 1986. Subsequent gains and losses brought the 1997 total to 12,650, only 90 jobs more than existed in 1970.

In and of itself, this is not necessarily a harmful change; the services industries include many "good" jobs; doctors, lawyers, business consultants, etc., are all part of that grouping. However, there still remains a strong link, on average, between goods-producing jobs and higher levels of pay. The next section contains a chart showing the average wage of the two counties over time. There is a strong correspondence between the changes in goods-producing jobs and the changes in the average wage.

**Figure 23**  
**Goods Producing Jobs**  
**Cowlitz, Wahkiakum, Washington, 1970-1997**  
*Source: Employment Security Department*



**Figure 24**  
**Goods & Services Producing Jobs**  
**Cowlitz and Wahkiakum, 1970-1997**  
*Source: Employment Security Department*





# Annual Average Wage

The annual average wage is derived by dividing the total wages paid in an area by the annual average employment in that area. Jobs not covered by the unemployment insurance program are excluded; however, approximately 90 percent of all employment in the state is covered under the program. (*Note—all amounts here have been inflation-adjusted to 1996 dollars.*) The average wage does not include any benefits (e.g., insurance or retirement plans) other than actual wages.

In 1996, the average wage in Cowlitz County was \$26,914 and in Wahkiakum County was \$20,875. The statewide average of \$28,882 was greater than either county. Until 1991, the Cowlitz wage was consistently greater than the statewide average, and until 1981 the Wahkiakum wage was always greater than the statewide average and the Cowlitz average (see Figure 25). What happened?

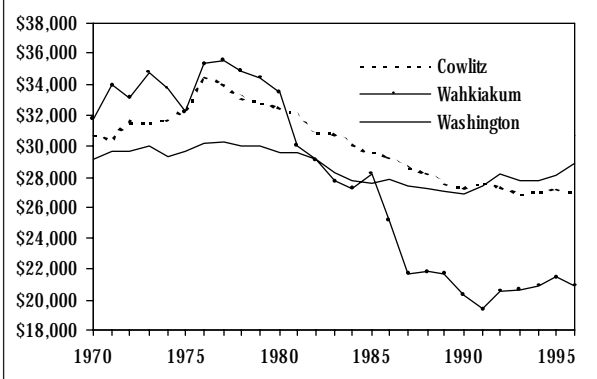
The overall wage decline in both of the counties (and in the state) is part of a nationwide trend that can be explained, at least partially, by several factors:

- Pay declines within industries—caused by international competition, the value of the dollar, the decreased power of unions to set wages, changes in occupational structure, and other factors.
- Changes in the share of employment by industry—highlighted by the shift from high paying goods-producing jobs to lower paying trade and services jobs.
- The substitution of employee benefits for direct pay increases.
- Increase in part-time workers.

More specifically, in both counties, the culprit was a decline in both the number of manufacturing jobs and average wage in manufacturing. And it must be emphasized that in these two counties, most manufacturing jobs are related to the timber industry. The loss of these high-wage timber jobs and the decline in timber wages drove down the overall average wage.

In Wahkiakum County, whose average wage has declined more than Cowlitz County's, there was much greater employment loss, relative to size, in the manufacturing sector. In 1976, a high point for both counties, Wahkiakum had 62 percent of all its covered employment in manufacturing and the average wage for manufacturing (in real dollars) at that time was \$44,059. Twenty years later, in 1996, 23 percent of all covered

**Figure 25**  
**Annual Average Wage**  
**Cowlitz, Wahkiakum, Washington, 1970-1996**  
**Source: Employment Security Department**



jobs were in manufacturing with an average wage of \$30,344. In Cowlitz County, manufacturing employment in 1976 totaled 45 percent of all covered employment with an average wage of \$41,544. In 1996, manufacturing employment was down to 27 percent of the total with an average wage of \$40,414. There have been decreases in the amount paid to manufacturing workers and a decrease in the relative size of manufacturing to the rest of the economy; i.e., lower paying services jobs have been growing at a much faster rate. These have been strong factors in accounting for the decline in the counties' overall average wages.

The picture is not quite as gloomy as painted above. Even with the declines, Cowlitz County's average wage ranked 5th highest among the state's 39 counties. Wahkiakum's wage, though, ranked 24th. Cowlitz County derives a lot of its wages from strong, high-paying industries.

Figure 26 on the next page shows the average wage in 1996 for the major industry sectors and some specific industries in Cowlitz County, Wahkiakum County, and in Washington State. (Very few specific industries in Wahkiakum County can be released for confidentiality reasons.) Though the wage for Cowlitz County is somewhat lower than statewide, the county does have higher wages in a number of industries: agriculture, construction, and manufacturing. Wahkiakum County's sectors all have a lower wage than statewide.



**Figure 26**  
**Annual Average Wage**  
**Cowlitz, Wahkiakum, and Washington State, 1996**  
**Source: Employment Security Department**

|                                   | Cowlitz  | Wahkiakum | Washington |                                    | Cowlitz  | Wahkiakum | Washington |
|-----------------------------------|----------|-----------|------------|------------------------------------|----------|-----------|------------|
| <b>Total</b>                      | \$26,914 | \$20,818  | \$28,883   | General Merch Stores               | \$13,893 | *         | \$18,103   |
| <b>Ag, Forestry &amp; Fishing</b> | \$14,599 | \$16,134  | \$14,510   | Food Stores                        | \$14,466 | \$9,552   | \$18,117   |
| Ag Prod - Crops                   | \$13,896 | *         | \$11,381   | Auto Dealers & Svc Statns          | \$23,765 | *         | \$26,113   |
| Ag Prod - Livestock               | *        | \$14,885  | \$18,451   | Apparel & Access Stores            | \$8,507  | *         | \$18,313   |
| Agricultural Services             | \$14,329 | *         | \$16,176   | Furn & Homefurn Stores             | \$22,141 | *         | \$21,826   |
| Forestry                          | \$15,661 | *         | \$18,239   | Eating & Drinking Places           | \$9,185  | \$6,521   | \$9,991    |
| <b>Mining</b>                     | \$33,025 | *         | \$40,793   | Miscellaneous Retail               | \$12,155 | *         | \$16,149   |
| Nonmetal Miner, Ex Fuels          | \$33,025 | *         | \$33,782   | <b>Finance, Ins &amp; Real Est</b> | \$23,056 | \$18,725  | \$34,428   |
| <b>Construction</b>               | \$33,522 | \$14,131  | \$30,696   | Depository Institutions            | \$26,335 | *         | \$31,530   |
| General Bldg Contractors          | \$32,352 | \$13,172  | \$29,435   | Nondepository Institutions         | \$27,979 | *         | \$42,838   |
| Heavy Construc, Ex. Bldg          | \$36,831 | *         | \$38,589   | Insurance Carriers                 | \$32,606 | *         | \$39,666   |
| Special Trade Contractors         | \$33,241 | *         | \$29,267   | Insur Agents, Brokers, Svc         | \$24,597 | *         | \$36,070   |
| <b>Manufacturing</b>              | \$40,414 | \$30,344  | \$39,089   | Real Estate                        | \$13,811 | *         | \$21,138   |
| Food & Kindred Products           | \$23,819 | *         | \$28,399   | <b>Services</b>                    | \$18,616 | \$14,655  | \$28,074   |
| Lumber & Wood Products            | \$32,117 | *         | \$32,797   | Hotels & Other Lodging             | \$10,650 | *         | \$15,187   |
| Paper & Allied Products           | \$52,233 | *         | \$47,029   | Personal Services                  | \$11,179 | *         | \$14,888   |
| Printing & Publishing             | \$20,418 | *         | \$28,524   | Business Services                  | \$18,668 | *         | \$41,857   |
| Chemicals & Allied Prod           | \$52,141 | *         | \$46,555   | Auto Repair, Svcs, & Park          | \$18,638 | *         | \$21,924   |
| Industrial Machinery & Eq         | \$34,615 | *         | \$37,024   | Misc Repair Services               | \$22,395 | *         | \$26,338   |
| Electronic & Oth Electr Eq        | \$16,873 | *         | \$33,814   | Motion Pictures                    | \$8,173  | *         | \$13,559   |
| Misc Mfg Industries               | \$22,032 | *         | \$27,184   | Amuse & Recr Services              | \$10,579 | *         | \$17,403   |
| <b>TCU</b>                        | \$32,374 | \$29,120  | \$35,880   | Health Services                    | \$23,188 | *         | \$28,198   |
| Trucking & Warehousing            | \$28,916 | *         | \$27,321   | Legal Services                     | \$23,051 | *         | \$37,336   |
| Communication                     | \$31,234 | *         | \$46,836   | Educational Services               | \$13,361 | *         | \$23,817   |
| Electric, Gas, & Sanit Svcs       | \$34,764 | *         | \$46,106   | Social Services                    | \$12,678 | *         | \$14,915   |
| <b>Trade</b>                      | \$15,838 | \$7,928   | \$20,643   | Membership Organizations           | \$9,839  | *         | \$19,181   |
| Wholesale Trade                   | \$29,146 | *         | \$34,883   | Engineer & Mgmt Services           | \$30,133 | *         | \$41,061   |
| Wholesale Trade - Durable         | \$28,651 | *         | \$37,404   | Private Households                 | \$7,056  | *         | \$8,835    |
| Wholesale Trade - Nondur          | \$29,736 | *         | \$31,731   | <b>Government</b>                  | \$28,187 | \$23,716  | \$31,957   |
| Retail Trade                      | \$13,602 | \$7,928   | \$16,081   | Federal Government                 | \$38,140 | \$28,212  | \$39,649   |
| Building Mater & Gdn Sup          | \$16,951 | *         | \$21,993   | State Government                   | \$28,903 | \$31,516  | \$32,276   |
|                                   |          |           |            | Local Government                   | \$27,482 | \$22,880  | \$29,696   |

\* Either no employment or data would disclose ownership if released

## Agriculture, Forestry, and Fishing

This sector, in Wahkiakum County, constituted 7 percent of all covered employment in 1996, employing 52 workers. They were scattered through a number of different industries, predominantly in dairy farming and forestry. There also is a handful in commercial fishing. The county's average wage for the sector was \$16,134, higher than the statewide average because of a proportionally larger number managing timber tracts (forestry) as well as the higher wages in the fishing industry.

Cowlitz County had less than 2 percent of its workers in this sector but that amounted to 686 workers. The largest number was involved in agricultural crops (323), mainly in berry farming and in ornamental nursery products. About 180 were involved in providing forestry services (timber tract management). The average wage for the sector was \$14,599, slightly above the statewide average.

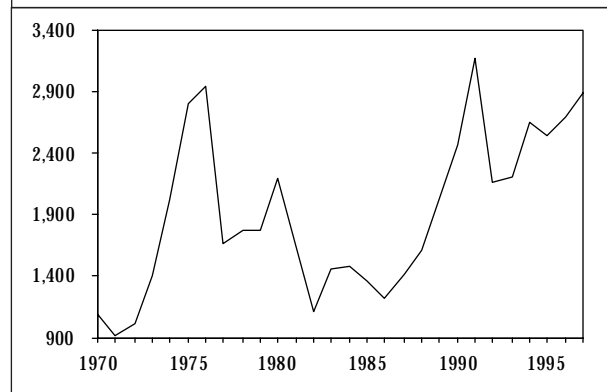
# Construction and Mining

Figure 27 shows construction and mining employment in Cowlitz County since 1970. As is apparent, construction is a very volatile industry with many dramatic peaks and troughs in employment. Large industrial projects hire large numbers of workers, but for limited periods. When the project is complete, the workers go to the next job site elsewhere.

In 1997, the nonfarm employment series showed the construction sector in Cowlitz County with 2,880 workers, about 8 percent of total employment. Wahkiakum County's sector had but 20, less than 3 percent of the total. (No chart is displayed for Wahkiakum County because of the paucity of workers.) Statewide, construction accounts for about 6 percent of nonfarm jobs. Figure 28 indexes sector employment to 1970=100 and compares the county to the state. Although the county's employment level is more volatile, it generally follows the trend of the state.

Industry employment was boosted in recent years by the rebuilding of the Weyerhaeuser pulp mill and an increase in housing construction, particularly around Woodland. Construction activity was much more modest in Wahkiakum.

**Figure 27**  
**Construction & Mining Employment**  
**Cowlitz County, 1970-1997**  
**Source: Employment Security Department**

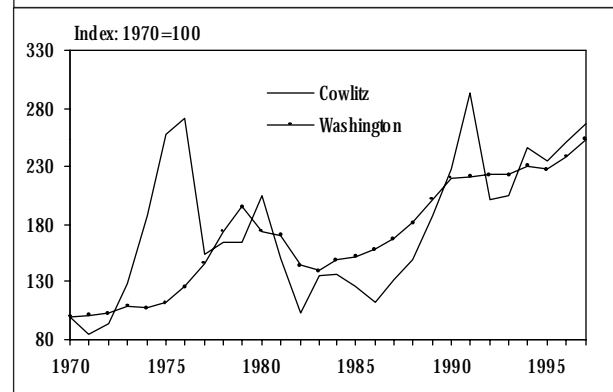


The average wage in the construction industry (based on covered employment) in Cowlitz in 1996 was \$33,522, which surpassed the statewide construction wage of \$30,696. Special trades workers (pipefitters, plumbers, electricians, painters, etc.) and general building contractors (mainly single-family housing and nonresidential construction) were paid significantly more in Cowlitz County than statewide and pushed up the construction average. The other component of the construction industry—heavy construction—was paid less than its statewide counterpart. Distribution of employment in these categories was: special trades, 62 percent; general building, 25 percent; and heavy construction, 14 percent.

Mining employed about 190 workers in Cowlitz County, most of whom were involved in operations producing sand and gravel for construction. The average wage was \$33,025, almost on a par with statewide mining wages. This is a small but relatively well-paid industry. There was no mining activity in Wahkiakum County.

As mentioned above, the construction industry in Wahkiakum County is fairly small. For the years 1970-75, there were less than 10 workers. Since then employment has fluctuated between 10 and 30. In 1996, the industry employed about 20 covered workers who, on average, were paid an annual wage of \$14,131.

**Figure 28**  
**Construction & Mining Employment**  
**Cowlitz and Washington, 1970-1997**  
**Source: Employment Security Department**



# Manufacturing

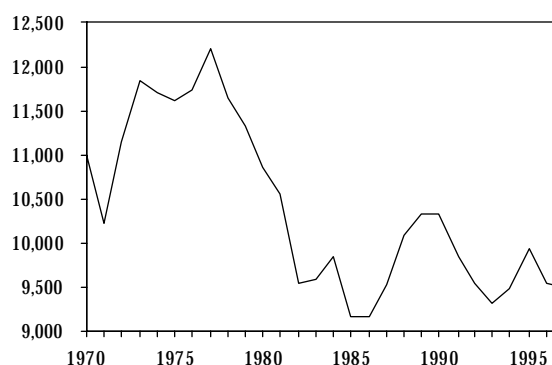
Manufacturing has been and is the dominant industry sector in both Cowlitz and Wahkiakum counties. Although the last 15 or so years have seen serious employment declines in both counties, the sector remains the largest one in Cowlitz County and the second largest, after government, in Wahkiakum County. Relatively, the sectors in both counties are stronger than statewide: 26 percent of Cowlitz's and 31 percent of Wahkiakum's employment is in manufacturing while statewide the share size is 15 percent. It is also the highest paying sector in both counties and generates large payrolls.

Figures 30 and 31 show employment since 1970. Peak employment for both counties occurred in the 1970s: 12,210 in Cowlitz County in 1977 and 510 in Wahkiakum County in 1973. These peaks, though, were followed by steep, lengthy declines. In 1985, Cowlitz hit its low point of 9,160 manufacturing workers. Wahkiakum didn't bottom out until 1990 when employment fell to 130. Since the low point, Cowlitz manufacturing employment has alternated several times, coming in at 9,510 in 1997. Wahkiakum's employment was essentially flat through 1995. However, 40 workers were added in 1996 and another 70 in 1997, bringing the

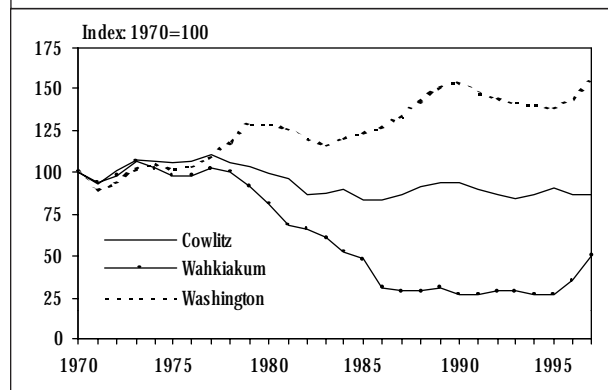
total to 240. The most recent uptick stems from a surge of heavy logging and should subside shortly.

The timber industry is dominant within manufacturing in both counties. In 1997, Cowlitz County's entire manufacturing sector employed more than two-thirds of its workers in producing lumber and wood products (this industry encompasses logging, sawmills, millwork, plywood, mobile homes, and other wood products) or

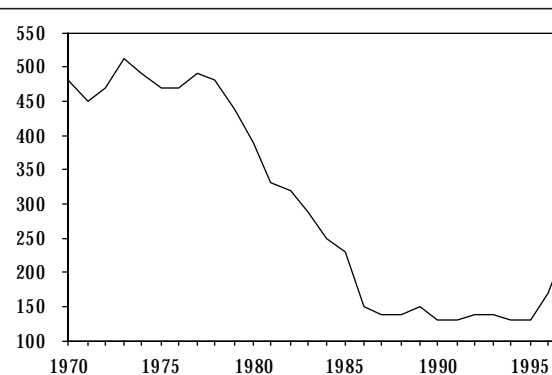
**Figure 30**  
**Manufacturing Employment**  
**Cowlitz County, 1970-1997**  
*Source: Employment Security Department*



**Figure 29**  
**Manufacturing Employment**  
**Cowlitz, Wahkiakum, Washington, 1970-1997**  
*Source: Employment Security Department*



**Figure 31**  
**Manufacturing Employment**  
**Wahkiakum County, 1970-1997**  
*Source: Employment Security Department*



paper products (paper and paperboard mills and paperboard containers). In Wahkiakum County, the percentage is even higher; close to 90 percent of the sector is in lumber and wood products and virtually all of that is in logging.

A number of factors have contributed to the decline in manufacturing in these counties. Timber harvests in Cowlitz County have declined sharply, reducing the number of loggers. Production in lumber mills, which became more labor intensive during the national housing boom in the late 1970s, swung in the other direction as lumber prices came down in the 1980s. More intense competition in lumber and paper markets increased the incentive for cost-cutting and triggered the application of new technologies.

Unlike many areas in Washington, the two-county region has not been much affected by environmentally-

generated timber set-asides or harvest restrictions. The vast majority of forest/timber land in the area is privately owned, and privately held land is not subject to the same political pressures and regulatory factors that have come into play with public lands in recent years.

Other than the forest products industry, larger manufacturing industries in Cowlitz County, with their 1996 covered employment, include: food processing (301 jobs), printing and publishing (402), chemicals (326), and industrial machinery (568). The aluminum industry has a strong presence in the county including a substantial number of workers with relatively high levels of pay. The aluminum industry would be treated in more detail—it is a major industry—but there is only one employing unit, rendering employment and wage data confidential.

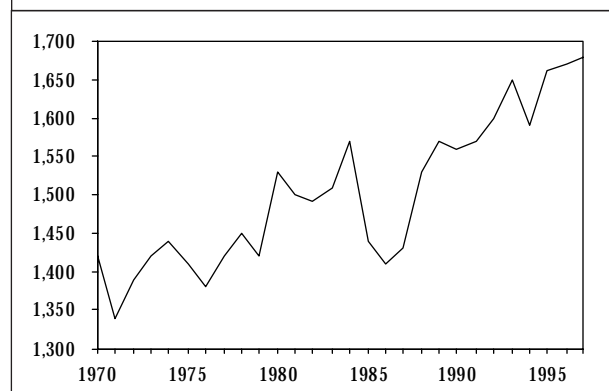
## Transportation, Communications, and Utilities (TCU)

This sector encompasses trucking, warehousing, communications, and utilities such as electric, gas, and sanitary services. *Figure 32* shows employment in Cowlitz County from 1970-97. Overall growth has been slow but fairly continuous except for a steep decline in 1985 and 1986. Since then it has recovered and expanded, to a degree. Employment in 1997 came in at 1,680, an 18 percent increase over 1970. *Figure 33* indexes employment to 1970=100 and compares growth rates with the state. Growth has been significantly less in the county; the statewide TCU sector grew by 84 percent over the period shown.

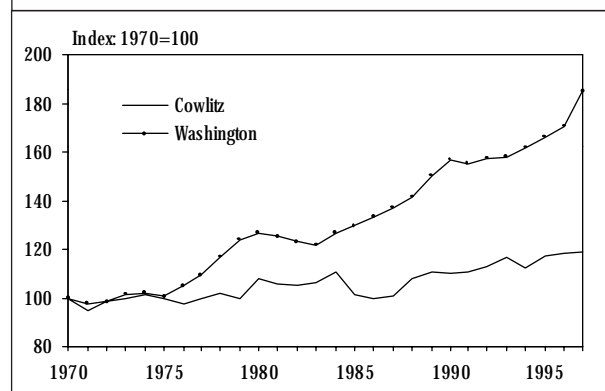
Wahkiakum County, to the contrary, had a decline in employment over the same period. (The sector is small enough to make charts impractical.) Through the 1970s, employment averaged about 90 workers per year. The peak was in 1981 with 120. The sector contracted sharply during the “double-dip” recessions of the early 1980s, though, and never rebounded. In 1997, employment stood at about 40.

In both counties, TCU has about the same relative size as its does statewide. However, both counties have a much higher proportion of their employment in trucking and warehousing and, in Cowlitz, there is a greater share in

**Figure 32**  
TCU Employment  
Cowlitz County, 1970-1997  
*Source: Employment Security Department*



**Figure 33**  
TCU Employment  
Cowlitz and Washington, 1970-1997  
*Source: Employment Security Department*



water transportation. Cowlitz County, in 1996, had over 50 percent of its TCU employment involved in trucking and warehousing while the statewide share was 19 percent. The differing distribution of jobs is due to the predominance of logging in the counties, and the presence of ports in Longview and Kalama. Meanwhile, communications and utilities employment is more concentrated in major urban areas.

The annual average wage for the TCU sector in 1996 was \$32,374 in Cowlitz County and \$29,120 in Wahkiakum County. Trucking and warehousing workers were paid almost \$29,000, communications workers over \$31,000, and utilities workers (gas, electric, sanitary services) almost \$35,000. (Data for Wahkiakum County are suppressed.)

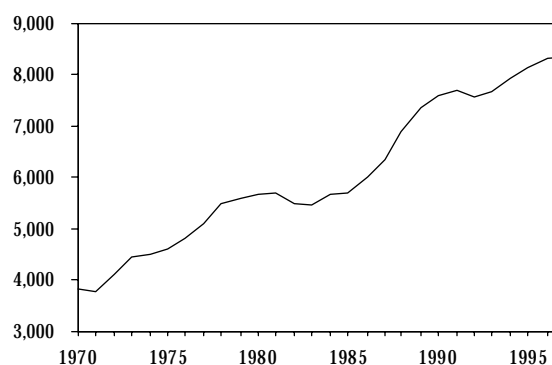
## Wholesale and Retail Trade

Over the last two decades, wholesale and retail trade employment in Cowlitz County has doubled. In 1970, its 3,820 workers amounted to 16 percent of all nonagricultural employment; in 1997, its 8,340 workers amounted to 23 percent of the total. It is the second largest industry sector in the county, after manufacturing. Overall growth in Wahkiakum County has been slower and the past few years have been ones of decreasing employment. The numbers are, however, quite small and not amenable to analysis. In 1970 there were 80 trade workers in the county; in 1983, a peak of 140 was reached; and in 1997 the number had fallen to 100. Its share of total nonfarm employment is 13 percent.

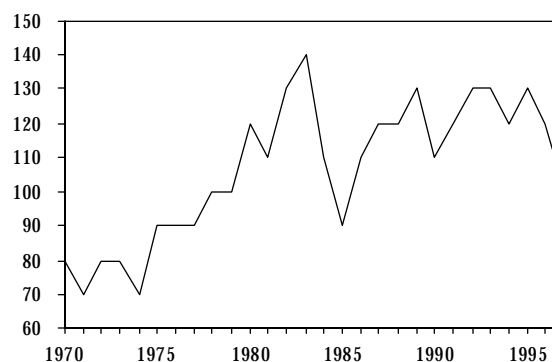
That an ever larger and larger share of Cowlitz County workers are in the wholesale and retail trade sector is problematic. While it does provide employment, wages are low compared to other sectors. The average wage, based on covered employment, for the entire sector in 1996 was \$15,838. While it should be remembered that the average wage is not adjusted to account for part-time employment, and there is considerable part-time work in trade, these wages are still relatively low, among the lowest sector wages in the county. In Wahkiakum County the overall trade average was \$7,928 (the county has no wholesale trade employment so the sector's overall average is the same as for retail trade). The average statewide wage in trade was \$20,643.

A bright spot in the trade sector, though, is wholesale trade. Although it is nonexistent in Wahkiakum County, it has a sizable presence in Cowlitz County, with about 1,150 covered jobs in 1996. Its average wage (\$29,146) is quite high compared to retail trade and drives up the overall trade average wage. Wholesale trade employment is fairly evenly divided between durable and nondurable goods with fairly small numbers of workers in a large number of industries.

**Figure 34**  
**Trade Employment**  
**Cowlitz County, 1970-1997**  
*Source: Employment Security Department*

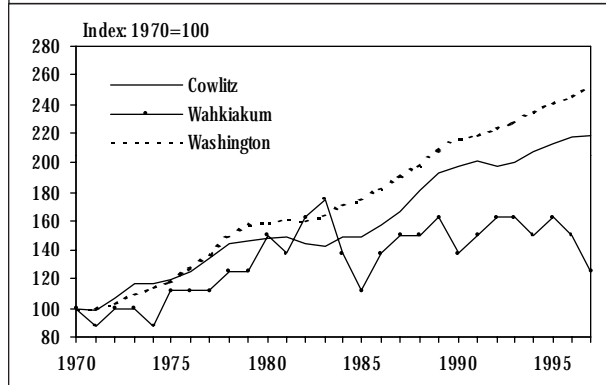


**Figure 35**  
**Trade Employment**  
**Wahkiakum County, 1970-1997**  
*Source: Employment Security Department*





**Figure 36**  
**Trade Employment**  
**Cowlitz, Wahkiakum, Washington, 1970-1997**  
**Source: Employment Security Department**



Retail trade employment is much higher than wholesale trade. In 1996 in Cowlitz County, there were 6,851 covered workers in the sector; in Wahkiakum County, there were 113. As mentioned earlier, though, the aver-

age wage in trade is relatively low; in retail trade it is even lower. The average in Cowlitz was \$13,602 and in Wahkiakum \$7,928.

Within retail trade, the largest industry in both counties was eating and drinking places, that is, restaurants (including fast food outlets), taverns, and bars. Most jobs in the industry are part time and the average wage, accordingly, is quite low. In 1996, the industry employed 2,511 workers (37 percent of retail trade employment) in Cowlitz County and 55 workers (almost half) in Wahkiakum County.

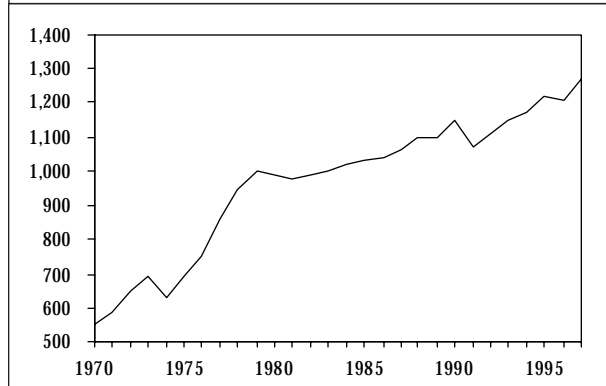
The second largest retail trade industry, also in both counties, was food stores. In terms of employment, they constitute 18 percent of retail trade in Cowlitz County and 27 percent in Wahkiakum County. The above were the only two trade industries in Wahkiakum County with significant amounts of employment. Cowlitz County, however, also had substantial employment in general merchandise stores (department and variety stores) and auto dealers and service stations.

## Finance, Insurance, and Real Estate (FIRE)

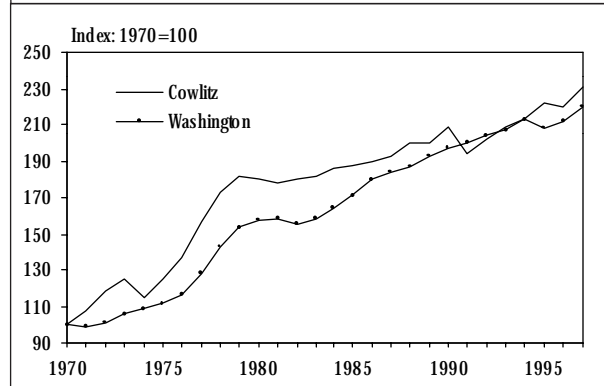
This sector includes banks, savings and loans, credit unions, insurance carriers, agents, and brokers as well as real estate agents and brokers. Employment in Wahkiakum is minimal, ranging from only 10 to 20 annually since 1970; most of these services are probably obtained outside the county. Cowlitz County has sizeable employment in the sector; it approaches 4 percent of total employment. *Figure 37* shows that after the 1973-

75 recession, employment grew fairly quickly until 1979, at which point growth returned to moderate levels for a number of years. The 1990-91 recession brought a small decline, but that was soon reversed by renewed moderate growth. Employment stood at 1,270 in 1997. *Figure 38* indexes employment to 1970=100 and compares growth rates with the state. As can be seen, the growth rate in the county is generally somewhat greater than

**Figure 37**  
**FIRE Employment**  
**Cowlitz County, 1970-1997**  
**Source: Employment Security Department**



**Figure 38**  
**FIRE Employment**  
**Cowlitz and Washington, 1970-1997**  
**Source: Employment Security Department**





statewide, although the sector is relatively smaller. The average wage, based on covered employment, stood at \$23,056 in 1996.

Depository institutions constitute the largest industry in Cowlitz County's FIRE sector. In 1996, there were almost 500 workers in these banks, credit unions, and other savings institutions: they were paid an average wage

of \$23,056. About 365 people were working in real estate (this does not include real estate agents who work solely on commission). Finally, there were another 275 workers in the insurance industry. As with real estate, many insurance agents are not included on the covered employment rolls.

## Services

Service industries include a variety of economic activities, oriented towards individual consumers, corporate customers, and health and social well-being.

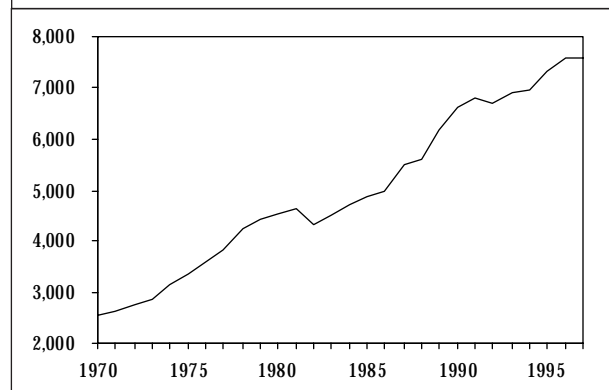
In both counties, employment growth in services since 1970 has done much to offset employment declines in other industries, primarily manufacturing. Cowlitz County, which had an overall growth in nonfarm employment of 53 percent from 1970 to 1997, saw services employment grow by almost 200 percent. In Wahkiakum County, which had an overall decline of 16 percent in employment (-100 jobs), services grew by 100 percent (+50).

Wages in the service sector vary greatly depending upon the type of industry, the specific service provided, and the market for that service. So-called producer services—which are provided to business—are the highest paid services, and are concentrated in major metropolitan areas. Cowlitz and Wahkiakum have relatively low employment in producer services such as advertising, software, law, engineering, and management consulting. As a result, average wages in the service sec-

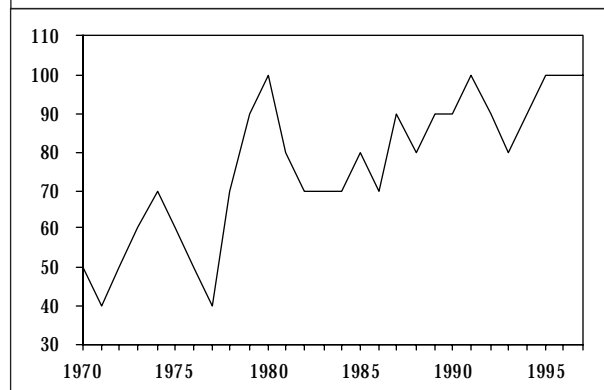
tor are quite low in both counties. In Cowlitz County in 1996, the average services wage was \$18,816, while in Wahkiakum County the average was \$14,655. The statewide average, which includes significant producer services in Seattle and the Puget Sound areas, was \$28,074.

The largest services industry in both counties in 1996 was health care. Cowlitz County had 44 percent of its services employment in health care (about 3,200 covered workers). All specific services data for Wahkiakum are suppressed for confidentiality reasons but health services is easily the largest industry in the sector. Other large services employers in Cowlitz County are social services (753 jobs) and business services (470 jobs). Most employment in business services was involved in grounds maintenance or in rental of heavy construction equipment. Engineering and management services was the highest paid services industry (\$30,133 average wage) but only accounted for 4 percent of services employment. This industry includes architects, engineers, accountants, auditors, commercial researchers, etc.

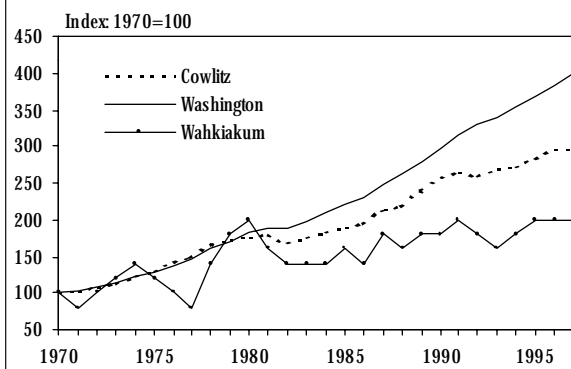
**Figure 39**  
Services Employment  
Cowlitz County, 1970-1997  
*Source: Employment Security Department*



**Figure 40**  
Services Employment  
Wahkiakum County, 1970-1997  
*Source: Employment Security Department*



**Figure 41**  
**Services Employment**  
**Cowlitz, Wahkiakum, Washington, 1970-1997**  
**Source: Employment Security Department**



## Government

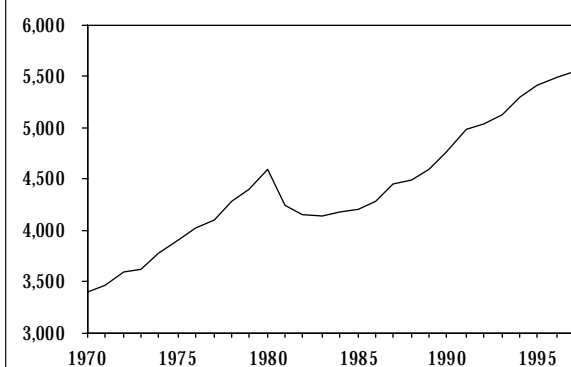
Public employment adds a strong, stable, relatively well-paid element to the economies of both Cowlitz and Wahkiakum counties. The average wage ranges between \$20,000 and \$40,000 per annum and employment doesn't move dramatically, either through growth or through contraction.

Both counties have followed the trend of increased government employment (all levels taken together) from 1970-97, with setbacks occurring only in the early 1980s (see Figures 42 and 43). In Cowlitz County for the entire period, the number of government workers grew from 3,390 in 1970 to 5,530 in 1997, an increase of 62 percent. Wahkiakum County's government em-

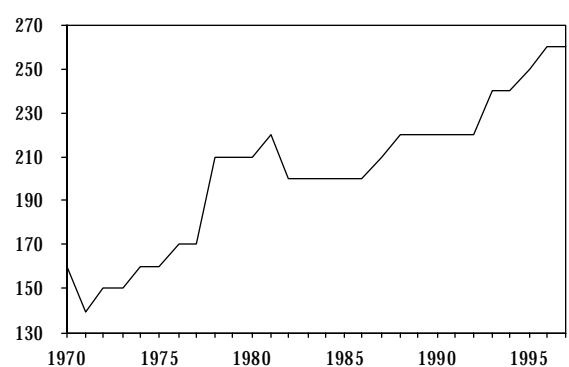
ployees increased from 160 to 260, a 63 percent increase. Figure 44 on the next page shows the growth rates for the counties and Washington State. The state's government sector has generally grown faster than the counties' for the last fifteen years.

Both of the counties have greater concentrations of employment at the local government level than statewide averages. This is especially true of Wahkiakum County where only 28 of 234 public employees were not in local government (1996). Cowlitz County had 78 percent of its public sector at the local government level. By comparison, the statewide local government sector amounted to only 58 percent of the total.

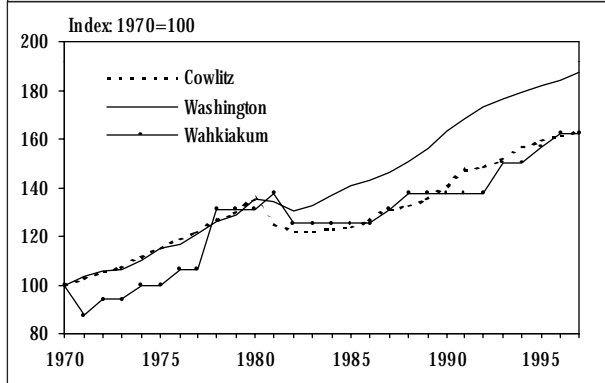
**Figure 42**  
**Government Employment**  
**Cowlitz County, 1970-1997**  
**Source: Employment Security Department**



**Figure 43**  
**Government Employment**  
**Wahkiakum County, 1970-1997**  
**Source: Employment Security Department**



**Figure 44**  
**Government Employment**  
**Cowlitz, Wahkiakum, Washington, 1970-1997**  
**Source: Employment Security Department**



The differences in employment concentrations help explain the lower government wage in the two counties. Federal and state level employees are paid, on average, a higher wage than local governments pay. The paucity of federal and state employees contributes to the lower wages. Cowlitz County's government workers were paid almost \$3,800 per year less than public employees statewide and, in Wahkiakum County, about \$8,200 per year less.

K-12 education constitutes a significant portion of local government employment. About 61 percent of local government employment in Cowlitz County is devoted to education and about 38 percent in Wahkiakum County. Most of the rest is devoted to administrative governmental functions. Within federal and state government, the largest employer is Lower Columbia College, a community college with about 385 employees and the only institution of higher education in the two counties.

## Industry Projections

From 1996 to 2001, Wahkiakum County's job situation is expected to remain essentially unchanged. There should be minor increases in services and government but all other industries are looked to be flat. Cowlitz County will be diversifying its economy further, however. While lumber and wood products will show a minor decrease in employment, and paper products a minor

increase, the remainder of the manufacturing sector is expected to post significant gains, over 4 percent annually. Construction should remain strong and good gains are expected in services and the finance, insurance, and real estate sector. *Figure 45* on the next page shows the 1996 estimates and 2001 projections for the two counties and Washington.

**Figure 45**  
**Industry Employment Projections**  
**Cowlitz, Wahkiakum, and Washington, 1996 and 2001**  
**Source: Employment Security Department**

|                             | 1996      | 2001      | % Change | # Change | Ann Avg |
|-----------------------------|-----------|-----------|----------|----------|---------|
| <b>Cowlitz County</b>       |           |           |          |          |         |
| Total Nonfarm Employment    | 36,650    | 41,020    | 11.9%    | 4,370    | 2.3%    |
| Manufacturing               | 9,680     | 10,360    | 7.0%     | 680      | 1.4%    |
| Lumber & Wood Products      | 2,610     | 2,460     | -5.7%    | -150     | -1.2%   |
| Paper Products              | 3,890     | 3,970     | 2.1%     | 80       | 0.4%    |
| Other Manufacturing         | 3,180     | 3,930     | 23.6%    | 750      | 4.3%    |
| Construction & Mining       | 2,720     | 3,140     | 15.4%    | 420      | 2.9%    |
| Transportation & Utilities  | 1,670     | 1,840     | 10.2%    | 170      | 2.0%    |
| Wholesale & Retail Trade    | 8,190     | 9,100     | 11.1%    | 910      | 2.1%    |
| Finance, Ins. & Real Estate | 1,220     | 1,410     | 15.6%    | 190      | 2.9%    |
| Services                    | 7,630     | 9,140     | 19.8%    | 1,510    | 3.7%    |
| Government                  | 5,540     | 6,030     | 8.8%     | 490      | 1.7%    |
| <b>Wahkiakum County</b>     |           |           |          |          |         |
| Total Nonfarm Employment    | 750       | 780       | 4.0%     | 30       | 0.8%    |
| Manufacturing               | 170       | 170       | 0.0%     | 0        | 0.0%    |
| Construction & Mining       | 30        | 30        | 0.0%     | 0        | 0.0%    |
| Transportation & Utilities  | 40        | 40        | 0.0%     | 0        | 0.0%    |
| Wholesale & Retail Trade    | 120       | 120       | 0.0%     | 0        | 0.0%    |
| Finance, Ins. & Real Estate | 20        | 20        | 0.0%     | 0        | 0.0%    |
| Services                    | 100       | 110       | 10.0%    | 10       | 1.9%    |
| Government                  | 270       | 290       | 7.4%     | 20       | 1.4%    |
| <b>Washington State</b>     |           |           |          |          |         |
| Total Nonfarm Employment    | 2,415,100 | 2,742,800 | 13.6%    | 327,700  | 2.6%    |
| Manufacturing               | 343,100   | 390,000   | 13.7%    | 46,900   | 2.6%    |
| Lumber & Wood Products      | 35,100    | 33,800    | -3.7%    | -1,300   | -0.8%   |
| Paper Products              | 16,800    | 17,700    | 5.4%     | 900      | 1.0%    |
| Construction & Mining       | 130,900   | 146,800   | 12.1%    | 15,900   | 2.3%    |
| Transportation & Utilities  | 123,100   | 131,500   | 6.8%     | 8,400    | 1.3%    |
| Wholesale & Retail Trade    | 590,600   | 663,800   | 12.4%    | 73,200   | 2.4%    |
| Finance, Ins. & Real Estate | 124,300   | 134,200   | 8.0%     | 9,900    | 1.5%    |
| Services                    | 652,100   | 777,400   | 19.2%    | 125,300  | 3.6%    |
| Government                  | 451,300   | 499,100   | 10.6%    | 47,800   | 2.0%    |

# Occupational Profile

A different but informative way to view an area's work force is in terms of occupational divisions rather than industrial divisions. *Figure 46* shows employment (1995 estimates and 2005 projections) in the major occupational divisions as well as the share size of each grouping for the combined counties. For the state, only share size for 1995 and 2005 is shown.

Of significance, both county's work forces are made up of a larger percentage of "blue-collar" occupations and a smaller percentage of "white-collar" occupations than the state. Some 38 percent of the region's workers are blue-collar compared to only 28 percent for the state as a whole. This difference is consistent with the indus-

try mix of the two counties. Looking to the future, the counties will be moving toward the statewide mix, at least to a degree. The number of blue-collar workers will decrease by 4 percentage points locally but by only 2 percentage points statewide.

*Figure 47* on the next page is based on Occupational Employment Surveys (OES) conducted by the Employment Security Department in 1996. This survey covers the counties of Cowlitz, Wahkiakum, Klickitat, Lewis, and Skamania. Unfortunately, the information cannot be disaggregated to the county level. However, it gives a fairly representative list of what type occupations are present in the area as well as the mean wage.

**Figure 46**  
**Occupational Employment and Projections**  
**Cowlitz, Wahkiakum, and Washington, 1995 and 2005**  
**Source: Employment Security Department**

|                                    | 1995   |      | Cowlitz-Wahkiakum |      |       | Jobs   | Washington |      |
|------------------------------------|--------|------|-------------------|------|-------|--------|------------|------|
|                                    |        |      | 2005              |      | % Chg |        | 1995       | 2005 |
| Total                              | 42,441 | 100% | 52,974            | 100% | 25%   | 10,533 | 100%       | 100% |
| Operators, Fabricators, & Laborers | 7,920  | 19%  | 8,873             | 17%  | 12%   | 953    | 12%        | 12%  |
| Professional, Paraprof., & Tech    | 6,779  | 16%  | 9,411             | 18%  | 39%   | 2,632  | 22%        | 23%  |
| Services                           | 6,443  | 15%  | 8,744             | 17%  | 36%   | 2,301  | 16%        | 17%  |
| Prec. Production, Craft, & Repair  | 6,401  | 15%  | 7,491             | 14%  | 17%   | 1,090  | 12%        | 11%  |
| Clerical & Admin. Support          | 5,666  | 13%  | 6,803             | 13%  | 20%   | 1,137  | 16%        | 15%  |
| Marketing & Sales                  | 4,713  | 11%  | 6,612             | 12%  | 40%   | 1,899  | 11%        | 11%  |
| Managerial & Administrative        | 2,743  | 6%   | 3,385             | 6%   | 23%   | 642    | 7%         | 7%   |
| Ag., Forestry, Fishing & Related   | 1,776  | 4%   | 1,655             | 3%   | -7%   | -121   | 4%         | 4%   |
| White-Collar                       | 26,344 | 62%  | 34,955            | 66%  | 33%   | 8,611  | 72%        | 74%  |
| Blue-Collar                        | 16,097 | 38%  | 18,019            | 34%  | 12%   | 1,922  | 28%        | 26%  |

**Figure 47**  
**Occupational Wages**  
**Cowlitz, Wahkiakum, Klickitat, Lewis, and Skamania, 1996**  
**Source: Employment Security Department**

|  | Mean Wage |  | Mean Wage |
|--|-----------|--|-----------|
| Accountant & Auditor                     | \$15.31   | Faller & Bucker                          | \$19.05   |
| Administrative Service Manager           | \$20.67   | File Clerk                               | \$8.86    |
| Amusement & Recreation Attendant         | \$6.23    | Financial Manager                        | \$18.31   |
| Assemble, Fabricate, ex Mach, Elec, Prec | \$8.90    | Fire Fighter                             | \$14.66   |
| Automotive Body, Related Repairer        | \$14.66   | First Line Supervisor, Agr, Forest, Fish | \$23.83   |
| Automotive Mechanic                      | \$12.12   | First Line Supervisor, Clerical          | \$12.04   |
| Baker, Bread & Pastry                    | \$8.75    | First Line Supervisor, Constr & Extract  | \$17.62   |
| Bank Teller                              | \$8.16    | First Line Supervisor, Mechanic & Repair | \$18.69   |
| Bartender                                | \$7.26    | First Line Supervisor, Production        | \$19.00   |
| Bill, Post & Calculate Machine Oper      | \$9.69    | First Line Supervisor, Sales & Related   | \$11.42   |
| Billing, Cost & Rate Clerk               | \$10.74   | First Line Supervisor, Transportation    | \$18.52   |
| Bookkeeping, Accounting & Auditing Clerk | \$10.43   | Food Preparation Worker                  | \$6.21    |
| Bus & Truck Mechanic & Diesel Specialist | \$14.26   | Food Service & Lodging Manager           | \$12.12   |
| Bus Driver, School                       | \$11.96   | Forest & Conservation Worker             | \$11.15   |
| Cabinetmaker & Bench Carpenter           | \$12.57   | Forester, Conservation Scientist         | \$19.80   |
| Carpenter                                | \$16.40   | Furnace Operator/Tender                  | \$13.35   |
| Cashier                                  | \$7.49    | General Manager & Top Executive          | \$23.37   |
| Cementing & Gluing Machine Op/Tender     | \$9.35    | General Office Clerk                     | \$8.72    |
| Chemical Equipment Controller/Operator   | \$17.80   | Grader, Bulldozer & Scraper Operator     | \$12.71   |
| Chemical Plant & System Operator         | \$14.18   | Guard & Watch Guard                      | \$8.84    |
| Chemical Technician, except Health       | \$13.38   | Hairdresser & Cosmetologist              | \$7.89    |
| Child Care Worker                        | \$6.55    | Hand Packer & Packager                   | \$7.13    |
| Choke Setter                             | \$13.21   | Heat, A/C, Refrigeration Mech & Install  | \$16.02   |
| Civil Engineer, including Traffic        | \$23.38   | Helper, Carpenter & Related Worker       | \$9.84    |
| Civil Engineering Technician             | \$17.06   | Helper, Mechanic & Repairer              | \$9.03    |
| Clergy                                   | \$16.53   | Home Health Aide                         | \$7.85    |
| Coat, Paint, Spray Machine Op/Tender     | \$11.97   | Host & Hostess, Restaurant, Lounge       | \$6.22    |
| Combined Food Preparation & Service      | \$5.77    | Housekeeping Supervisor, Institutional   | \$8.28    |
| Computer System Analyst, EDP             | \$25.41   | Human Service Worker                     | \$11.13   |
| Construction Manager                     | \$20.76   | Industrial Machinery Mechanic            | \$12.71   |
| Conveyor Operator & Tender               | \$9.28    | Industrial Production Manager            | \$23.14   |
| Cook, Fast Food                          | \$6.03    | Industrial Truck & Tractor Operator      | \$13.11   |
| Cook, Institution or Cafeteria           | \$9.11    | Instructor & Coach, Sport                | \$9.06    |
| Cook, Restaurant                         | \$6.86    | Instructor, Nonvocational Education      | \$15.33   |
| Cook, Short Order                        | \$7.14    | Insurance Policy Processing Clerk        | \$13.17   |
| Cost Estimator                           | \$17.29   | Insurance Sales Worker                   | \$18.86   |
| Counter & Rental Clerk                   | \$6.96    | Janitor & Cleaner, except Maid           | \$8.14    |
| Counter Attendant, Lunchroom, Cafeteria  | \$5.64    | Laund, Dry-clean Mach Op/Tend, exc Pres  | \$7.58    |
| Crane & Tower Operator                   | \$16.43   | Lawyer                                   | \$29.12   |
| Crush, Grind, Mix Machine Op/Tender      | \$12.14   | Legal Secretary                          | \$13.48   |
| Dental Assistant                         | \$12.40   | Licensed Practical Nurse                 | \$13.56   |
| Dental Hygienist                         | \$26.86   | Logging Tractor Operator                 | \$14.61   |
| Designer, except Interior Design         | \$15.76   | Log-Handling Equipment Operator          | \$15.12   |
| Dining Room, Cafeteria & Bartender Help  | \$6.57    | Longshore Equipment Operator             | \$23.07   |
| Drafter                                  | \$14.99   | Machine Feeder & Offbearer               | \$9.59    |
| Driver/Sales Worker                      | \$12.17   | Machinery Maintenance Worker             | \$15.71   |
| Education Administrator                  | \$26.80   | Machinist                                | \$14.90   |
| Electrical & Electronic Engineer         | \$23.73   | Maid & Housekeeping Cleaner              | \$5.91    |
| Electrician                              | \$18.95   | Maintenance Repairer, General Utility    | \$12.20   |
| Emergency Medical Technician             | \$15.41   | Marketing Advertising, Public Rel Mgr    | \$26.64   |
| Engineering Math, Natrl Science Mgr      | \$27.34   | Mechanical Engineer                      | \$25.53   |
| Excavating & Loading Machine Operator    | \$16.79   | Medical Assistant                        | \$10.55   |
| Extrude, Form, Press Mach Op/Tender      | \$10.02   | Medical Secretary                        | \$9.48    |



**Figure 47 continued**  
**Occupational Wages**  
**Cowlitz, Wahkiakum, Klickitat, Lewis, and Skamania, 1996**  
**Source: Employment Security Department**

|  | Mean Wage |  | Mean Wage |
|--|-----------|--|-----------|
| Medicine & Health Service Manager        | \$25.28   | Salesperson, Parts                       | \$9.70    |
| Millwright                               | \$17.43   | Salesperson, Retail                      | \$7.26    |
| Mobile Heavy Equip Mechanic, exc Engine  | \$15.64   | Sawing Machine Operator/Tender           | \$10.86   |
| Nursing Aide, Orderly & Attendant        | \$7.73    | Secretary, except Legal & Medical        | \$10.33   |
| Operating Engineer                       | \$18.41   | Separate, Filter & Rel Machine Op/Tender | \$15.13   |
| Order Clerk, Materials, Service          | \$10.73   | Service Station Attendant                | \$6.78    |
| Packaging & Filling Machine Op/Tend      | \$9.77    | Sheriff & Deputy Sheriff                 | \$20.11   |
| Painter & Paperhanger, Constr & Maint    | \$13.72   | Social Work, exc Medical & Psychiatric   | \$14.96   |
| Paper Goods Machine Setter/Set-Up Op     | \$11.57   | Social Work, Medical & Psychiatric       | \$16.12   |
| Payroll & Timekeeping Clerk              | \$12.70   | Stenographer                             | \$15.96   |
| Personal Home Care Aide                  | \$7.25    | Stevedore, except Equipment Operator     | \$28.49   |
| Personnel, Train & Labor Relation Mgr    | \$15.65   | Stock Clerk, Sales Floor                 | \$7.43    |
| Personnel, Train & Labor Relation Spec   | \$18.23   | Stock Clerk, Stockroom or Warehouse      | \$9.65    |
| Physician & Surgeon                      | \$46.46   | Teacher Aide & Educational Asst, Clerk   | \$8.55    |
| Plumber, Pipefitter, Steamfitter         | \$18.80   | Teacher Aide, Paraprofessional           | \$9.49    |
| Police Patrol Officer                    | \$18.90   | Teacher, Elementary                      | \$22.19   |
| Postal Mail Carrier                      | \$13.54   | Teacher, Kindergarten                    | \$18.21   |
| Precision Instrument Repairer            | \$20.79   | Teacher, Preschool                       | \$7.91    |
| Procurement Clerk                        | \$10.33   | Teacher, Secondary School                | \$22.17   |
| Production Inspector, Grade, Sort, Test  | \$16.95   | Teacher, Special Education               | \$22.55   |
| Production, Planning, Expediting Clerk   | \$13.31   | Teacher, Vocational Education            | \$17.53   |
| Property & Real Estate Manager           | \$14.95   | Tire Repairer & Changer                  | \$9.54    |
| Psychologist                             | \$24.69   | Traffic, Shipping & Receiving Clerk      | \$10.88   |
| Public Admin, Chief Exec & Legislator    | \$12.42   | Truck Driver, Heavy or Tractor-Trailer   | \$13.73   |
| Purchase Agent, exc Whlsl, Retail, Farm  | \$15.49   | Truck Driver, Light, incl Delivery & Rel | \$10.11   |
| Purchasing Manager                       | \$19.57   | Typist, including Word Processing        | \$7.96    |
| Receptionist, Information Clerk          | \$8.09    | Vehicle Washer & Equipment Cleaner       | \$7.11    |
| Registered Nurse                         | \$19.09   | Vocational & Educational, Counselor      | \$18.94   |
| Residential Counselor                    | \$8.49    | Waiter & Waitress                        | \$6.24    |
| Roofer                                   | \$14.01   | Welder & Cutter                          | \$13.26   |
| Sales Agent, Advertising                 | \$20.85   | Welfare Eligibility Worker, Interviewer  | 15.34     |
| Sales Agent, Real Estate                 | \$21.18   | Wholesale, Retail Buyer, except Farm     | \$8.42    |
| Sales Rep, exc Retail, Sci, Related      | \$14.07   | Writer & Editor                          | \$13.50   |
| Sales Rep, Science & Related, exc Retail | \$19.48   |  |           |

# PERSONAL INCOME

This section deals with income rather than wages, which were discussed earlier and which are only one aspect of income. Data in this section are derived from the U.S.

Department of Commerce, Bureau of Economic Analysis.  
*All income data have been adjusted to 1996 dollars.*

## Total Personal Income

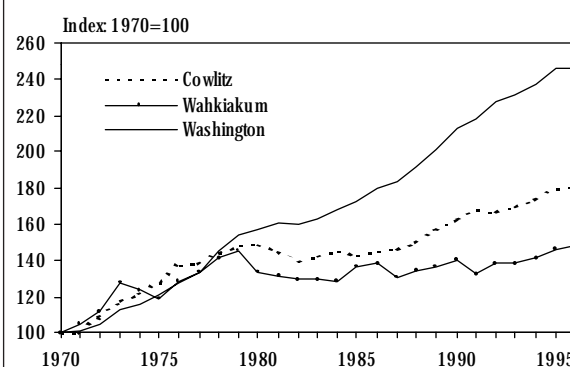
Personal income is an important indicator of a region's economic vitality. Conceptually, personal income captures all types of income. Wages, salaries, government transfer payments, retirement income, farm income, self-employed income, proprietors' income, interest, dividends, and rent are all included in this measure. Because business and corporate incomes are not included, it is considered personal income.

Personal income data for Cowlitz and Wahkiakum Counties reflect the demographics and economics discussed throughout this report. *Figure 48* shows the growth rate for total personal income from 1970-1996. The dollar amounts are all adjusted to 1996 dollars and are indexed to 1970=100. As is apparent, the growth of personal income was strong in both counties through most of the 1970s and matched statewide growth. The income then fell, beginning in 1981 in Cowlitz and in 1979 in Wahkiakum. After several years of decline, stagnation, and just modest increase, personal income in Cowlitz County started growing again about 1988 and has continued except for a brief plateau stemming from the 1990-91 national recession. In 1996, the total in Cowlitz was \$1.8 billion (up from \$1.0 billion in 1970). This amounted to an 81 percent real increase since 1970, modest compared to the statewide increase of 147 percent.

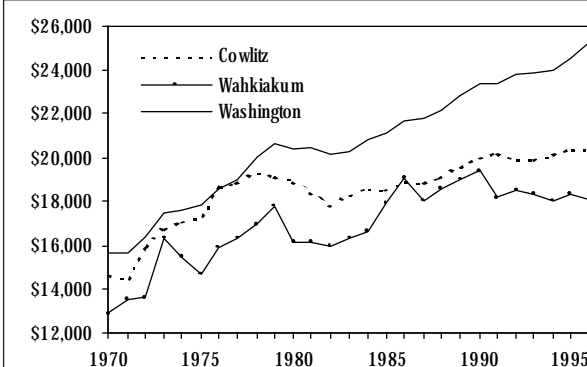
Wahkiakum County never attained meaningful growth after its peak in 1979. Personal income grew by 45 percent from 1970 to 1979; by 1996 the total growth was 48 percent. Income was \$46.3 million in 1970; \$67.0 million in 1979; and \$68.4 million in 1996.

Dividing the total personal income of an area by the population yields personal per capita income. Per capita income is a useful measurement; it gives a common denominator between income (growth or decline) and population (growth or decline) so that comparisons can be made between different areas or time periods with unlike populations and incomes.

**Figure 48**  
**Personal Income**  
**Cowlitz, Wahkiakum, Washington, 1970-1996**  
**Source: Bureau of Economic Analysis**



**Figure 49**  
**Per Capita Income**  
**Cowlitz, Wahkiakum, Washington, 1970-1996**  
**Source: Bureau of Economic Analysis**



The per capita income for the two counties and Washington State are shown in *Figure 49*. Up through 1978, Cowlitz closely tracked with the state in real dollars. After that, though, statewide per capita income started pulling away from the counties: its growth was relatively

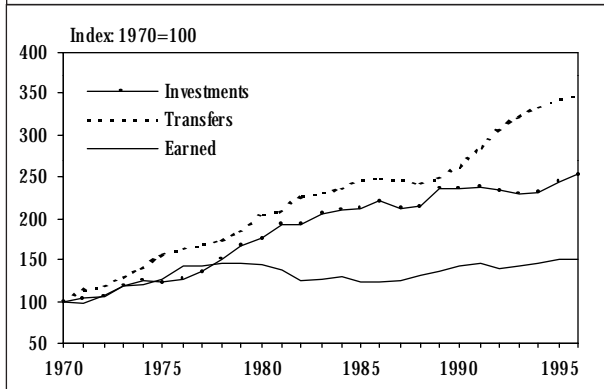
strong while the counties either declined or made only temporary increases. In 1978, income in Cowlitz County was \$19,269; in 1996 it was \$20,348, very little increase. Washington's per capita income grew by over \$5,000 during the same time frame. Wahkiakum's income had several ups and downs over that period, but has generally been decreasing since 1990. In 1996 it stood at \$18,066. Among the 39 counties in the state, Cowlitz County ranked 18th and Wahkiakum County ranked 33rd. (The statewide figure, \$25,277, is heavily influenced, though, by King County. Only King and San Juan counties have per capita income above the statewide average. Thirty-seven counties are below the average.)

While per capita income gives a good idea of how income is growing (or declining) relative to population size, it gives no idea of how the income is distributed within the population. The median household income gives a rough measure of that. The median in-

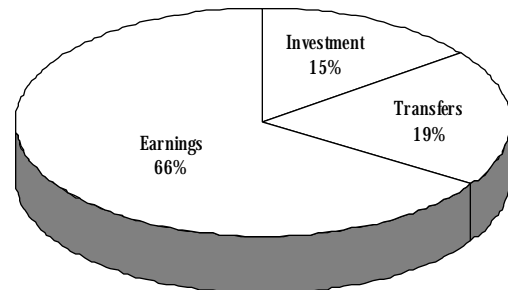
come is that income level at which half of all incomes are greater and half are less. The Washington State median household income, for example, was \$40,608 in 1996. Half of all the households in the state had a higher income and half had a lower income. The Cowlitz County median was \$37,690, ranking 8th in the state. Wahkiakum County ranked 35th in the state with a median income of \$27,594.

As mentioned earlier, personal income is derived from many different sources, all of which can be grouped into three categories; earnings, transfer payments, and investment income. Since 1970, the share of income from the different sources has changed substantially. More of income is being derived from investment and transfer payments while less comes from earnings. Earnings in Cowlitz County have dropped from 79 percent to 66 percent of the total and in Wahkiakum County from 77 percent to 42 percent.

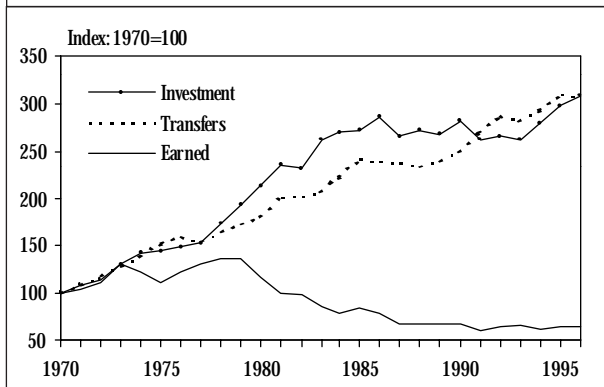
**Figure 50**  
**Changes in Personal Income Components**  
**Cowlitz County, 1970-1996**  
*Source: Bureau of Economic Analysis*



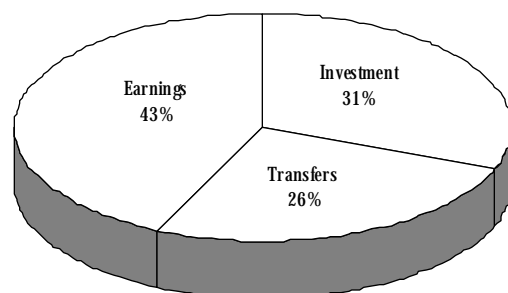
**Figure 52**  
**Components of Personal Income**  
**Cowlitz County, 1996**  
*Source: Bureau of Economic Analysis*



**Figure 51**  
**Changes in Personal Income Components**  
**Wahkiakum County, 1970-1996**  
*Source: Bureau of Economic Analysis*



**Figure 53**  
**Components of Personal Income**  
**Wahkiakum County, 1996**  
*Source: Bureau of Economic Analysis*



Transfer payments, which in 1970 accounted for 11 percent of income in both counties, climbed to 19 percent in Cowlitz and 26 percent in Wahkiakum. Investment income went from 11 to 15 percent in Cowlitz and from 12 to an amazing 30 percent in Wahkiakum. These are substantial

changes, particularly in Wahkiakum County where earnings, which are usually the mainstays for income, account for substantially less than half of all income. *Figures 50 and 51* on the previous page show the growth rates of the components of personal income over time.

## Earnings

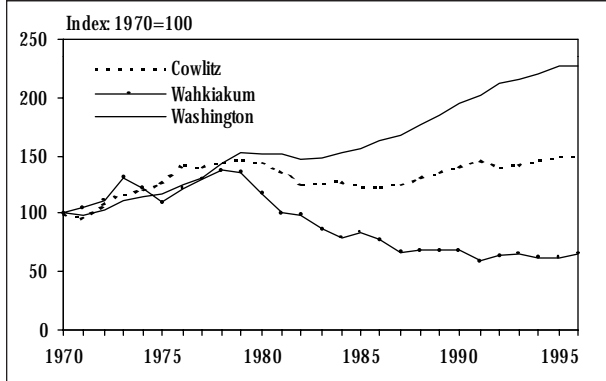
Earned income is important because it is, essentially, what people make at their jobs and, for the most part, the bulk of their income. Earned income includes wages and salaries, proprietors' income, and what is called "other labor income." Other labor income subsumes an assortment of incomes but primarily consists of employer payments into employee pension and health care plans.

Earned income in Cowlitz County grew 50 percent between 1970 and 1996, rising from \$870 million to \$1.3 billion. Wahkiakum County's *decreased* by 35 percent, dropping from \$37 million to \$24 million. Statewide, earned income increased 113 percent. *Figure 54* compares the counties to Washington by indexing earnings to 1970=100. Until the late 1970s, growth of earnings in the two counties was comparable to the state as a whole. During and following the "double-dip" recessions of the early 1980s, though, the counties, especially Wahkiakum, faltered. Cowlitz County took a long time (until 1990) to regain the growth it had during the 1970s and Wahkiakum County has never caught up.

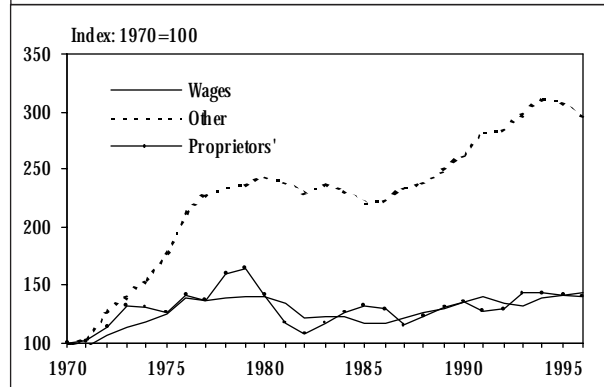
Note, though, that the earned income figures are based on place of work, so only reflect earnings actually made in the county. The figures are different when adjusted to

reflect the place of residence. The amount for Cowlitz County drops to \$1.2 billion from \$1.3 billion (reflecting the commuting that goes into Cowlitz County for employment) while the amount for Wahkiakum County increases significantly, rising from \$24 million to \$35 million. Quite a few Wahkiakum residents commute outside the county for their earnings.

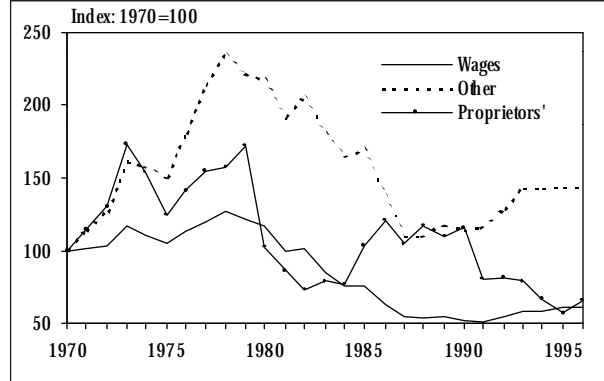
**Figure 54**  
Changes in Earned Income  
Cowlitz, Wahkiakum, Washington, 1970-1996  
*Source: Bureau of Economic Analysis*



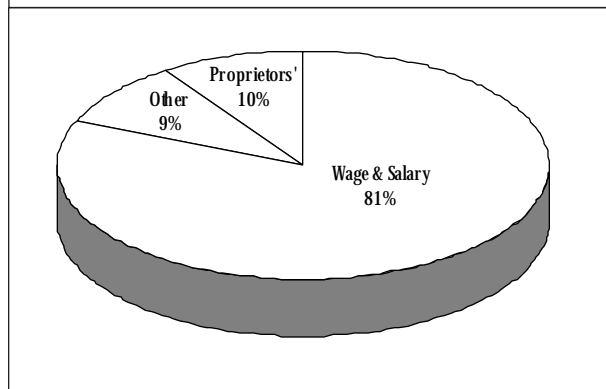
**Figure 55**  
Changes in Earned Income Components  
Cowlitz County, 1970-1996  
*Source: Bureau of Economic Analysis*



**Figure 56**  
Changes in Earned Income Components  
Wahkiakum County, 1970-1996  
*Source: Bureau of Economic Analysis*

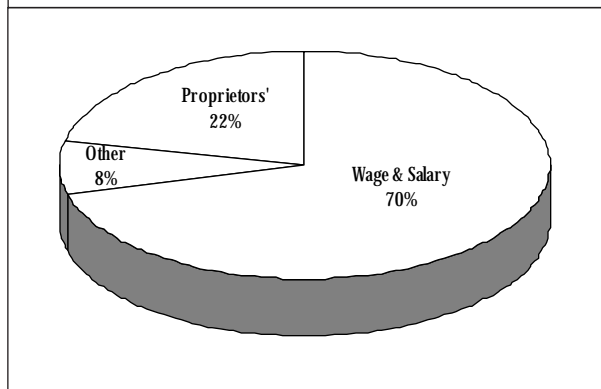


**Figure 57**  
**Components of Earned Income**  
**Cowlitz County, 1996**  
**Source: Bureau of Economic Analysis**



There are large differences in the changes in the dollar amounts of the various components of earned income. With “other labor income,” the statewide trend has been a very large increase—employers are putting more into benefits than into wages and salaries. Cowlitz County saw an almost 200 percent increase since 1970. Wahkiakum saw only a 44 percent increase,

**Figure 58**  
**Components of Earned Income**  
**Wahkiakum County, 1996**  
**Source: Bureau of Economic Analysis**



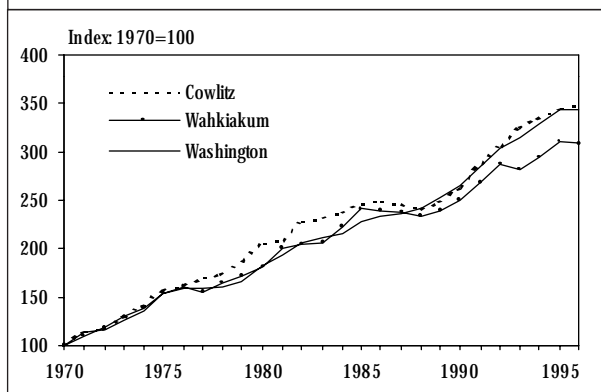
but it was the only component of earnings that increased. The wage and salary component grew 43 percent in Cowlitz County (the population, however, only grew by 36 percent) and *decreased* by 39 percent in Wahkiakum County while the population grew by 9 percent. Proprietors' income increased 41 percent in Cowlitz and fell by 35 percent in Wahkiakum.

## Transfer Payments

A transfer payment is generally seen as a payment by the government to someone from whom no service is rendered. Transfer payments are second in size after earnings in the composition of personal income, and have grown tremendously over the last two decades. As shown earlier, transfer payments are garnering an ever larger share of personal income. Growth rates of this income have been comparable between the two counties and the state. *Figure 59* shows the increase in transfer payments in Cowlitz and Wahkiakum counties and the state since 1970.

The largest portion of transfer payments is made up of public sector retirement and related payments. These include social security payments, government federal civilian and military retirement pay, and state and local government retirement pay (private sector retirement payments are calculated indirectly through the earnings of pension and insurance funds, and are included as part of dividends, interest and rents). Retirement and disability payments make up about half of all transfer payments, while medical payments, chiefly for Medicare, are another quarter. In 1996, retirement and related

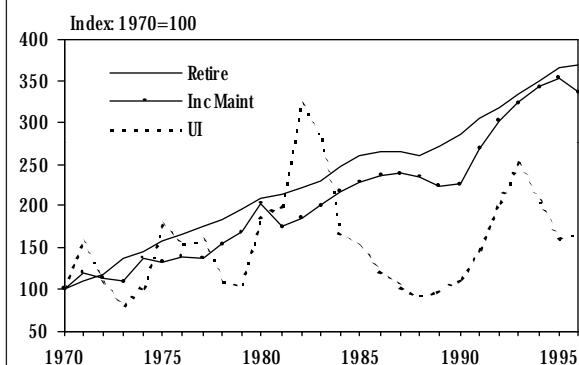
**Figure 59**  
**Changes in Transfer Payments**  
**Cowlitz, Wahkiakum, Washington, 1970-1996**  
**Source: Bureau of Economic Analysis**



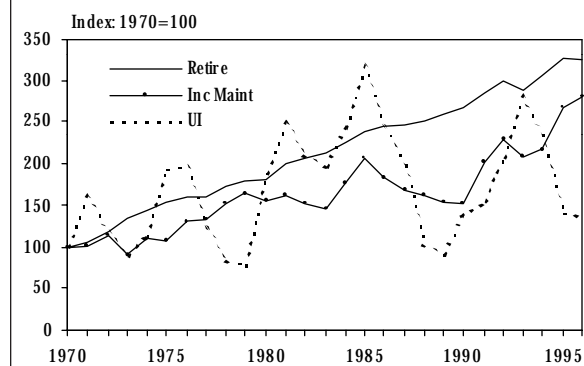
transfers amounted to \$326 million in Cowlitz and \$15 million in Wahkiakum.

The second component, income maintenance, includes Aid to Families with Dependent Children, general assistance, food stamps, and other transfers generally thought of as welfare. In Cowlitz, income maintenance

**Figure 60**  
**Changes in Transfer Payments Components**  
**Cowlitz County, 1970-1996**  
**Source: Bureau of Economic Analysis**

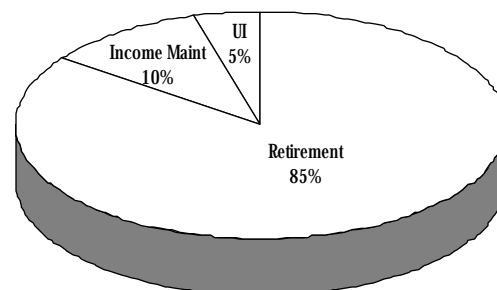


**Figure 61**  
**Changes in Transfer Payments Components**  
**Wahkiakum County, 1970-1996**  
**Source: Bureau of Economic Analysis**

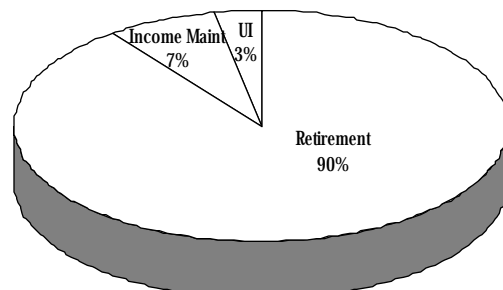


came to \$40 million and in Wahkiakum, a little over \$1 million. Unemployment insurance benefits make up the third component. The amounts, of course, fluctuate directly with the unemployment rate. In 1996 Cowlitz County UI beneficiaries received \$17.6 million and Wahkiakum County, \$497 thousand. *Figures 60 and 61* show the various components of transfer payments and their growth since 1970.

**Figure 62**  
**Components of Transfer Payments**  
**Cowlitz County, 1996**  
**Source: Bureau of Economic Analysis**



**Figure 63**  
**Components of Transfer Payments**  
**Wahkiakum County, 1996**  
**Source: Bureau of Economic Analysis**



Both counties have large elderly populations. In 1996, retirement and related transfer payments, including Medicare, constituted 18 percent of all personal income in Cowlitz County. In Wahkiakum County, they made up 21 percent. These share sizes are substantially greater than statewide or nationwide.

## Dividends, Interest, and Rent

These types of income (collectively called investment income), are the prime examples of making money with money. Money which has been used to purchase stocks, bonds, or which resides in bank accounts, or has been loaned, or which was used to purchase rental

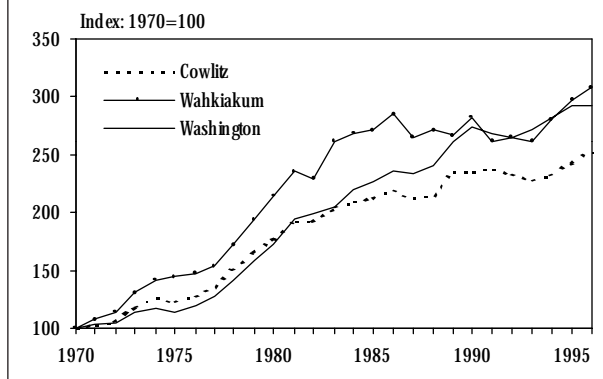
properties, can return a profit. Most private pension plans are included here, as opposed to social security or government/military retirement payments which are considered transfers.



Investment income is heavily concentrated. Nationally, the top ten percent of families own half of all liquid assets (checking accounts, savings accounts, CDs, IRAs, etc.), 70 percent of all stocks and bonds, and half of all property. Age is also a factor: those 55 and older own two-thirds of the nation's liquid and financial assets.

Investment income grew by 153 percent in Cowlitz County, increasing from \$115 million in 1970 to \$291 million in 1996. It represented 15 percent of total personal income in the county in 1996 (the figure was 14 percent statewide). On a per capita basis, it was substantially below the state and national average, despite the relatively large number of elderly in the county. In Wahkiakum County, on the other hand, investment income had a much higher share of total personal income, 31 percent in 1996, and on a per capita basis was on a par with the state and nation. *Figure 64* shows the growth rate of investment income since 1970.

**Figure 64**  
**Investment Income**  
**Cowlitz, Wahkiakum, Washington, 1970-1996**  
**Source: Bureau of Economic Analysis**



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# JOB TRAINING AND ECONOMIC DEVELOPMENT

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## Job Training

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In a time when the workplace is constantly evolving, it is crucial to have a well-trained, versatile work force for economic growth. This growth translates into not only quality products, but also the feeling of self-worth that a “good” job brings to an individual. In addition to the traditional education process, a number of initiatives have been undertaken to prepare people for the labor market.

The *Job Training Partnership Act (JTPA)* of 1982 established programs to prepare youth and unskilled adults for entry and re-entry into the labor force. The emphasis is placed on economically disadvantaged individuals and others who face serious barriers to employment. It is upon this legislation that the Employment Security Department and other providers base their job service programs.

**Private Industry Council.** Washington is divided into areas that provide services related to employment. These regions, called Service Delivery Areas, are administered by Private Industry Councils. For Cowlitz and Wahkiakum counties, the administrator for job services is the *Southwest Washington Private Industry Council (PIC)* located in Vancouver. Composed of representatives from business, labor, education, government, and community organizations, this PIC has jurisdiction over Service Delivery Area VII, which includes the counties of Cowlitz and Wahkiakum, as well as Clark and Skamania. The PIC oversees the JTPA and Welfare-to-Work programs, including on-the-job training, work experience, classroom training, and internship activities. The PIC, a nonprofit organization, receives its primary funding through the federally-funded JTPA. The actual execution of PIC programs in Cowlitz and Wahkiakum counties is contracted out to several local agencies, including Lower Columbia Community Action Agency, Educational Service District 112, and the Employment Security Department's Job Service Center.

**Job Service Centers.** Operated by the Employment Security Department, the *Cowlitz County Job Service Center (JSC)*, based in Kelso, provides employment assistance to the residents of Cowlitz and Wahkiakum counties. The Cowlitz JSC offers a large resource center that is available for resume preparation, job application letters, job search, and labor market information on the Internet, as well as tutorials in a variety of job-related topics. It is a full-service center offering a wide range of employment service programs. Provided below is a brief description of the JSC programs.

A JSC staff is co-located at the Lower Columbia College (LCC) campus in the Counseling Center of the Admission Center building. LCC also provides part-time staffing for basic education and GED preparation at the Cowlitz JSC (call for schedule).

The Cowlitz JSC delivers WorkFirst employment services through a contract with the Department of Social and Health Services (DSHS). Clients on public assistance through DSHS Temporary Aid to Needy Families receive job search/placement workshops to better prepare them for employment and self-sufficiency. Other services include:

- On-the-job training
- Work experience position
- Intensive resume and placement services
- Supportive services

The *Claimant Placement/Worker Profiling Program* targets recent unemployment insurance applicants for job placement services to speed their return to work. This shortens the duration of unemployment for the individual and saves cost to the unemployment insurance trust fund.

The *Economic Dislocation and Worker Adjustment Assistance* is a program designed to assist clients laid-off because of either plant closures or plant restructuring and technology improvements. Through this program,

clients work with counselors to assess job skills and interests. They then draw up an individual training strategy, which may include re-training at the community college with tuition and fees paid for by the state. Job search workshops are provided to enhance skills such as resume writing, application processing, and interviewing techniques.

The Cowlitz JSC offers *Trade Adjustment Act/North American Free Trade Agreement (TAA/NAFTA)* services. It is the policy of the Employment Security Department to assist workers, who become unemployed as a result of increased imports or shifts in production to Canada or Mexico, to return to suitable employment. A group of workers (three or more) or their recognized union, or their duly authorized representative, such as a company official, may complete a Petition for Trade Adjustment Assistance. The completed petition is submitted to the U.S. Department of Labor and is used to trigger an investigation to ascertain that the layoff is caused by imports. The investigation takes approximately sixty days. During this period, service to affected workers may be provided with JTPA Title III and other appropriate resources with the funding to be transferred to TAA/NAFTA resources after certification has been obtained. After the company has been certified, each employee must complete an application for Determination of Eligibility to be qualified for TAA/NAFTA services. These services may include:

- Comprehensive assessment and counseling
- Job search assistance
- Relocation allowance

- Re-training
- Supportive services

Other notable programs operated by the Cowlitz JSC include the *Refugee Program*, which provides counseling, job training, job search and placement to mostly Eastern European and Southeast Asian refugees. The program also coordinates with LCC to provide them with basic education. Two other important programs also operate out of the JSC—the *Local Veterans Employment Representative* and the *Disabled Veterans Outreach Program*. The basis of these programs is to provide counseling, career search skills, and job placement assistance. Additionally, a Veterans Affairs representative is available on site twice a month (call for schedule).

**Educational Facilities.** Cowlitz and Wahkiakum counties have a two-year institution—Lower Columbia College (LCC). Established in 1934, the Longview-based college offers a variety of academic and vocational courses, as well as adult basic education and a college transfer program. However, it is particularly known for its strong nursing program.

Washington State University offers four-year degree programs through LCC and their North Vancouver Campus (less than 40 miles away). Linfield College, based out of McMinnville, Oregon also offers four-year degree programs through the LCC campus. In addition, 70 miles to the north (90 miles from Cathlamet in Wahkiakum County) are the Evergreen State College in Olympia and St. Martin's College in Lacey, both offering four-year degree programs. Advanced degree programs are also available (call for specifics). Distance learning is also an option.

## Economic Development

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### Cowlitz County

The *Cowlitz Economic Development Council (CEDC)*, located in Longview, is a private, nonprofit organization that is responsible for the majority of economic development and business assistance efforts within the county. The primary objectives of the CEDC are to assist existing local businesses in retention and expansion efforts as well as to help prospective businesses locate in the county. The CEDC has several means to accomplish these objectives, namely:

- Financial assistance
- Government relations
- Product marketing
- State-sponsored trade tours

Other Cowlitz County economic development organizations are the *Chambers of Commerce*. Chambers of Commerce are generally comprised of business owners and other interested individuals who work together to further the business interests of their communities. Cowlitz County has Chambers of Commerce in the cities of Longview, Kelso, and Castle Rock.

### Wahkiakum County

Located in Skamokawa, the *Lower Columbia Economic Development Council* provides assistance to Wahkiakum and Pacific counties to further economic growth and stability. Like Cowlitz County's organization, it is a private, nonprofit firm whose purpose is

to attract, retain, and develop business. Some of its activities include:

- Assisting business startup, expansion and recruitment;
- Providing county marketing and promotional materials;
- Informing agencies and the public on the attributes of a healthy economy;
- Promoting public policies that will encourage and give orderly direction to economic development;
- Operating a Visitor Center and Tourism Bureau.

**Infrastructure.** The infrastructure of an area is an integral part of economic development. The following paragraphs make note of some of the primary infrastructure elements already in place in Cowlitz and Wahkiakum counties.

*Roads and Highways.* Much of Cowlitz County's southern boundary along the Columbia River is accessed via U.S. Interstate Route 5. Running north and south, the interstate conveniently links all of the county's incorporated areas, except for Longview that is still in close proximity. Other major roadways in the county are State Routes 4, 411, and 504. A number of local roads provide generally thorough access into the county's higher-elevated interior near Elk Mountain and Mount St. Helens (just across the border in Skamania County).

Wahkiakum County is accessed more or less thoroughly by State Route 4, which runs east and west through the county. State Routes 403, 407, and 409, which extend north and south from State Route 4, provide access to the remote areas of the county.

*Air Transportation.* There are two airports or airstrips that serve the area and both are located in Cowlitz County. The larger of the two is the Kelso-Longview Municipal Airport, with its 4,300-foot asphalt runway. The smaller Woodland Airstrip has a 2,500-foot runway. Neither is served by air carriers.

County residents can commute to Portland International Airport in Oregon. The commute is approximately 20-60 miles from points in Cowlitz County and 75 miles from points in Wahkiakum County. Astoria's airport, across the river in Oregon, is quite close to Wahkiakum.

*Port and Rail Service.* The Port of Longview and Port of Kalama are the major ports in the two-county region. Both ports are located in Cowlitz County on the Columbia River and offer a wide variety of services. The Port of Longview, which has 7 berths, offers marine transportation services, marine cargo handling and towing, and tugboat services. The Port of Kalama, which has 2 berths, provides specialized cargo services. Typical cargoes handled by the ports mostly include dry bulk (grains) and forest products. Also significant is the Port of Woodland, which has industrial property available but no deep water site on the Columbia River.

*Rail service* is provided by Burlington Northern and Union Pacific in Cowlitz County. This service is easily accessible from Wahkiakum County. Both railroads handle all types of cargo on spurs owned by Burlington Northern.

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# SUMMARY

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Both Cowlitz and Wahkiakum counties historically have had large resource-based economies that relied on timber. Although the big shake-out of the industry that occurred in the early-to-mid 1980s had a significant effect, timber still remains the biggest industry. Its employment fell dramatically but has since stabilized at new levels, and there has been some diversification of industry within manufacturing as well as significant growth in the trade and services sectors.

Because the economy has stabilized in recent years, the population is again increasing. During much of the 1980s, out-migration exceeded in-migration and the overall population in both counties declined. Since about 1990, that situation has reversed itself and the population is growing again. Wahkiakum County, which suffered the sharpest population decline, has finally regained the number of residents it enjoyed in the late 1970s and early 1980s. In 1998, the population of Cowlitz was estimated at 93,100; Wahkiakum at 3,900.

The labor force has been growing much like the population, and unemployment is at its lowest level in years. In 1997, the rate was 7.1 percent in Cowlitz, the lowest since 1990, and 6.1 percent in Wahkiakum, the lowest since 1991. Even so, there are proportionally more unemployed in the area than there are statewide, where the rate is down to 4.8 percent.

There has been good growth in nonfarm employment following the 1990-91 national recession. Since 1992, Cowlitz County has added over 3,000 jobs and Wahkiakum over 150 since 1990 (quite significant in an economy that small). Looking at the area as a whole, most of the growth has come in trade, services, and government (there was strong manufacturing growth in Wahkiakum but it was flat in Cowlitz). This growth in nonmanufacturing activities and the earlier, quite sharp declines in the timber industry have not sufficed to dislodge manufacturing from its position as the largest industry sector in both counties. Cowlitz County has

over one-fourth of its employment in manufacturing while Wahkiakum has 31 percent. Statewide, the share is 15 percent.

Average wages, which are simply the total wages paid in a year divided by the average employment for the year, are down significantly from previous years. In 1996, the average wage in Cowlitz County was \$26,914 (ranked 5th in the state) and in Wahkiakum County was \$20,875 (ranked 24th). The statewide average was \$28,882. In the early 1970s, both counties' wages, in real dollars, stood at around \$35,000. The degradation of the wage, coming from a long downward spiral in both counties and the state, has stopped but there has been no appreciable increase in wages for over two decades in the area.

Median household income was \$37,690 in Cowlitz County (ranked 8th statewide) and \$27,594 in Wahkiakum County (ranked 35th). Per capita income in Cowlitz was \$20,348 (ranked 18th) and in Wahkiakum was \$18,066 (ranked 33rd). Per capita income has shown real growth since 1970 and in Cowlitz County it is at its highest level ever.

Both Cowlitz and Wahkiakum counties have withstood the turbulence of the restructuring and decline in employment and wages of the timber industry in the 1980s. The area is regaining population—in-migration is up—and timber remains a large, solid foundation of the economy. Relatively low unemployment and gains in the number of nonfarm jobs make the labor market picture quite a bit more attractive than it has been for quite some time. Wages have been stagnant, in real terms, but are no longer declining. At the moment, the area is doing well. Projections to 2001 indicate that Wahkiakum will remain at about these same level of employment while Cowlitz will have moderate growth overall with strong growth in non-timber related manufacturing, construction, services, and the finance, insurance, and real estate sector.